

*This written in behalfe of those who Contrived the S. S. Scheme
(Not to be paralleled in English hist) for y^e Destruction or alteration of prop^{ty}
Property.*

193 d 2

A TRUE
S T A T E
OF THE
South-Sea-Scheme.

As it was FIRST form'd, &c.

WITH THE
Several ALTERATIONS made in it,
before the ACT of Parliament pass'd.

And an Examination of the

CONDUCT
OF THE
D I R E C T O R S

In the Execution of that ACT;

WITH AN
Enquiry into some of the Causes of the Losses
which have ensued.

AS ALSO
An ABSTRACT of several Clauses of the Acts of Par-
liament, made against those Directors, and the Grounds of
them; with some Remarks on the whole.

L O N D O N :

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INTRODUCTION.

IT would not be agreeable to the Design of the following Narrative, to detain the Reader long with any Discourse, Introductory to it.

F O R, as the Observations which naturally arise from it, will be easily deducible by every Judicious and Impartial Person; since the whole consists of Proofs and Evidences entirely grounded on Truth, which can neither be counterfeited nor contradicted: so likewise for the same Reason, it will be needless to begin with an Excuse for the Publication, because Matters of Fact thus supported will be a better Apology, than Wit can invent, or Eloquence display.

T H E Reader is desired to take Notice, That where the Term Directors is us'd, it is generally to be understood of all those Persons whose Estates are by Act of Parliament vested in the Trustees.

A N D in the Calculations, odd Sums and Fractional Parts are purposely omitted, to avoid a multiplicity of Figures, and to render the whole more perspicuous and intelligible to all Capacities.





A TRUE
STATE
OF THE
SOUTH-SEA-Scheme,

As it was first form'd, &c.

SECTION I.

Contains the Scheme and Advantages thereof to the Publick, as first shewn to Earl Stanhope, and as alter'd according to his Direction, communicated to Mr. Aislaby; With the Method then propos'd for its Execution. And the Advantages which would have arisen to the Publick, and the Old Proprietors of the South-Sea-Stock by it.

THE following Scheme and Heads of the Advantages thereof, were shewn to the late Earl Stanhope, at his own Request about the middle of November 1719. viz.

A SCHEME for advancing the Publick Credit, and for a certain Reduction of the Interest of the whole Debt of the Nation to 4 per Cent. per Ann. at the end of Seven Years, from Midsummer 1720. and to be from thenceforth redeemable by Parliament, on one Years Notice, either in the whole or in Parcels. Also for rendering it practicable, to Alter, Change, or even to Sink the most burthensome Funds. And to reduce the several Branches of the Customs, Excise, &c. into one entire Duty of Customs, Excise, &c.

IT IS PROPOSED,

That the Parliament empower the King, or Lords of the Treasury to treat and agree with the Bank of England, East-India and South-Sea Companies jointly, or with any of them separately for the effecting the said Reduction on the following Terms, viz.

First, That the Company or Companies with whom such Agreement shall be made, may, by Purchase, Subscription, or paying off any of the Redeemable Debts (except Exchequer-Bills) as well those at 4 per Cent. per Ann. as those at 5 per Cent. per Ann. take them into the Joint-Stock of the said Company or Companies.

B

And

And also by Purchase, Subscription or other voluntary consent of the Proprietors thereof, (and without any Compulsion on them) take into the Joint-Stock of such Company or Companies; all or any of the (present) unredeemable Debts.

Secondly, That for all such of the said Debts, for which the principal is repayable, there shall be 100*l.* added to the Capital-Stock, for every such 100*l.* taken into the said Company or Companies.

Thirdly, That till *Midsummer* 1727. the Company or Companies, into which such Debts shall be admitted, shall have a like Interest or Annuity as the Debts so taken in were entitled unto; to be paid out of the Funds appropriated by Parliament to those Debts.

Fourthly, As to the Annuities for 99 Years, or Terms granted to make up 99 Years; that for every 5*l.* per *Ann.* taken into the said Company or Companies; such Company or Companies to have a like Annuity till *Midsummer* 1727. and also to have 100*l.* added to their Capital-Stock, being after the rate of 20 Years purchase.

Fifthly, As to the 9*l.* per *Cents.* they to be estimated at 11 Years purchase, so that the said Company or Companies into which they shall be taken, shall for every 5*l.* per *Ann.* taken in, have 55*l.* added to their Capital, and 2*l.* 15*s.* per *Ann.* till *Midsummer* 1727. being after the rate of 5*l.* per *Cent.* per *Ann.*

Sixthly, As to the residue of the Lottery 1710. they to be estimated at 11 Years Purchase for the last 23 Years, so that the Company or Companies into which they shall be taken, shall for every 5*l.* per *Ann.* taken in, have 55*l.* added to their Capital-Stock; and 2*l.* 15*s.* per *Ann.* till *Midsummer* 1727. being after the rate of 5*l.* per *Cent.* per *Ann.*

Seventhly, That whereas, by thus taking those Debts into the Companies, the Charges of paying them in the manner they are now paid, will be saved by the Publick: but the Charges of the Companies who take them in will be increas'd: It may not be unreasonable to allow those Companies towards Charges, so much as the Publick save thereby.

Eighthly, That the Annuity as well for the present as the increased Stock of such Company or Companies, as shall so take in any of the said Debts, shall from and after *Midsummer*, 1727. be reduced to 4*l.* per *Cent.* per *Ann.* and be from thenceforth redeemable by Parliament on a Years Notice, by not less than One Million at a time: But such Company or Companies to have as well their present as increas'd Allowance for Charges of Management, &c. continued from *Midsummer* 1727. until their Funds be redeemed by Parliament as above.

Ninthly, That the Annuities to the Company or Companies for their increased Stock, be payable to them Weekly at the Exchequer, as those Companies present Annuities are payable.

HEADS of ADVANTAGES to the Publick, by the Scheme for advancing the Publick Credit, and reducing the Interest of the whole Debt of the Nation to 4 per Cent. Shewn to Earl Stanhope; together with the Scheme.

Although in the Scheme the three Companies are indifferently mentioned, yet for that the South-Sea Company have the honour of the King for their Governor; and have by much a larger Capital than both the other Companies, and are capable of some Undertakings herein after mentioned, which the other two Companies are not; and for several other Reasons they are like to be found the most proper to enter into this Agreement. Nevertheless, it is intended in the Execution of the Scheme, to bring into the Reduction the Funds of the Bank and East-India Company, on Terms

Terms greatly to their Advantage. From whence the following *Advantages* will also flow to the *Publick*.

First, There will be a *Certainty* so far as this Scheme takes place, (which can hardly fail in any considerable degree;) That at *Midsummer 1727*, all the 5 per Cent. *redeemable Funds* (the *Bank* and *East-India Funds* not excepted) will be reduced to 4 l. per Cent. per Ann.

Secondly, That the *Annuities* which are now *unredeemable*, will not only become *redeemable*, but will also at *Midsummer 1727*, be actually reduced one fifth part.

Upon these two Heads there will after *Midsummer 1727*, be saved to the *Publick* near per Ann. 500,000 l.

Thirdly, This Scheme will reduce the whole Debt of the Nation to the Heads or Denominations of only these three Companies, and the whole publick Credit will be greatly advanced; Not only by the Method of executing it, but likewise, for that People will have only one of these three Companies to lay out their Money in; for it will keep as it were the Waters in a narrow and consequently deeper Channel, whereas the variety of Funds are like so many Streams running out of one River, which weaken the main Current.

Fourthly, And the Advancement of Publick Credit in time of War, gives Spirit to our Friends, and Discouragement to our Enemies; some of whose Attempts seem to have chiefly aimed at distressing us in, and sinking of our publick Credit.

Fifthly, If the Circumstances of Times favour the Reduction of Interest to 3 per Cent. or lower; such Reduction is easier Effected in One, Two or Three Companies, where the Vote or Order of a General Court binds all the Members: Than as those Debts as well redeemable as unredeemable now stand, that every Individuals Consent is necessary; and as many as please must have the Power and Liberty to comply, or not comply.

Sixthly, The more favourable times prove for Reduction of Interest, the more will the price of unredeemable Annuities advance; and so will cost the Publick the more to redeem them, and perhaps not able to effect it at all if not done now.

Seventhly, The Debts being thus taken into the South-Sea Company, they will be more able to assist the Government with a large Sum of Money on any Exigency, and at a low Interest; so that the Government will scarce ever need to pay more than two, or at most three per Cent. on the Land-Tax and Malt.

Eighthly, Whenever it shall be found for the Benefit of the Publick to alter or change, or even to sink any of the most burthensome Funds; the same may be done by Parliament, with the Consent of the General Court of that Company, entitled to those Funds, without any Complaint of Violation of Property, which Consent cannot be had while the Property is in Individuals.

Ninthly, Whereas by reason of the variety of Debts, the Duties of Customs, Excise, Salt, Stamps, Leather, &c. are divided into several Branches, and differently appropriated, and distinct Accounts kept of each Branch, to the great Charge of the publick, and great Difficulty and Intricacy to the Payers (especially to the Merchants in the Customs); by this Scheme the Duties of Customs, Excise, &c. may be reduced into one Duty of Customs, Excise, &c. to the great Ease of the Merchants, &c. and will save the Publick a considerable Sum yearly in the Management of those Duties.

Tenthly, Forasmuch as nothing can tend more to the Glory of the King, and the honour and advantage of the Nation, and ballancing the great things done and doing in a neighbouring Kingdom; nor so effectually stop the Mouths of all Opposers of His Majesty's Measures, than that His Majesty make use of the Opportunity of the present War with Spain, to obtain for his Subjects Settlements, and thereby secure to them a Trade in the South-Seas

Seas, or other parts of the Spanish-West-Indies; And for that no Money rais'd by the Savings or Reductions of any of the present Funds, can be applied to the current Service: And that there will be no Use for any Money that shall be rais'd by such Savings or Reductions to pay off any of the publick Debts, till the Expiration of the term of Years propos'd to be granted by this Scheme.

It is further propos'd, That if all these Debts are taken into the *South-Sea Company*, they may be obliged to furnish 1,500,000 l. if requisite, towards the Charge of making such Settlements: His Majesty lending them a sufficient number of his Ships of War for that purpose, and the Company out of the said 1,500,000 l. to pay for the Manning and Victualling them; and also to pay for such Transports and Troops as shall be employed in this Service, not exceeding the said 1,500,000 l. And if any Places or Settlements shall be taken by Means thereof in the *North-Sea*, in the *Spanish West-Indies*, the *South-Sea Company* to have the like Property in them, and in all the Captures as they now have a right to by Act of Parliament, if made or taken within the Limits of their Charter. And in Case of a Peace with Spain before any Expedition be undertaken, the Company to pay the said 1,500,000 l. to the Publick, at the end of Seven Years Term, propos'd to be granted to them; or by 500,000 l. per Ann. during the last three Years, which makes it about equal, as if the Term of the said Company was not enlarged.

And forasmuch as it cannot be doubted, that upon making a Peace with Spain, His Majesty will take care that the *South-Sea-Company* have the *Asiento* restored to them; and upon a much better foot than it was. It will be a very great Encouragement to the Rise of the Stock of the *South-Sea-Company*, and so facilitate the Scheme: if the sole Trade to Africa be granted them, although they pay the African Company a reasonable Consideration for their Forts, Settlements and Interest; and also to my Lord Tarmouth, for the Grant he has from the Crown of the Mines of Gold and Silver in that Country: And a Company, with so great a Stock as this Company will have, are the most likely, not only to recover and preserve the Negroes Trade to this Kingdom, on which all our Plantations entirely depend, and clear that Coast of the Pirates; But that they will likewise be able to penetrate into the Continent of Africa, and thereby discover many of the rich Gold Mines which unquestionably are therein; Whereby as great Treasures may in time be brought into this Nation, as are to the Spaniards from the *West-Indies*, or to the Portuguese from Brazil.

WHEN these Papers were shew'd to Earl Stanhope, his Lordship declared his Approbation of bringing all the Funds into one Corporation; and thought the Scheme was fittest to be executed by the *South-Sea-Company*; but judg'd it not advisable to make the taking in of the Bank any part of the Proposal, least what was intended for their Advantage, might be otherwise taken by them, and so create an Opposition: His Lordship esteeming it best, that the Proposition of coming into it should arise from themselves, if they should be dispos'd thereto, and directed the Scheme to be alter'd accordingly. His Lordship did also declare his Opinion in favour of granting the *South-Sea-Company* the sole Trade to Africa, but did not approve of the attempting Settlements in the *South-Seas*. And instead thereof, desired it might be considered what Money the *South-Sea-Company* could advance to the Publick, for this Liberty of enlarging their Capital-Stock.

Earl Stanhope, sometime after the Scheme was shew'd him, acquainted Mr. Aislaby then Chancellor of the Exchequer therewith, who sent Mr. Knight to

to the Person who had shewn the same to his Lordship; to desire him to communicate the Scheme to him, who with Mr. Knight attended Mr. Aislaby, and shew'd him the Scheme as then alter'd by Earl Stanhope's Directions, and is as follows, viz.

A SCHEME for gaining to the Publick 3,500,000 l. Paying off the Funds of the Bank, all but their Original Fund of 100,000 l. per Ann. Furnishing a large Sum annually on the Land-Tax and Malt, without Interest; and the rest at a low Interest. Also for rendering it practicable to alter, change, or even sink the most burthenfome Funds, and also to reduce the several Branches of Customs, Excise, &c. into one entire Duty of Customs, Excise, &c. And likewise to advance the Publick Credit.

IT IS PROPOSED;

That the S. S. Company may give the Publick 3,500,000 l. for the following Advantages, viz.

First, That the said Company may by Purchase, Subscription, or paying off any of the Redeemable Debts (except *Exchequer-Bills*) as well those at 4 l. per Cent. as those at 5 l. per Cent. per Ann. take them into the Joint-Stock of that Company; and may likewise (if the *East-India-Company* will consent thereto) take into the said Company their *Capital Fund*.

And that the said Company may also by Purchase, Subscription, or other voluntary Consent of the Proprietors thereof (and without any Compulsion on them) take into the Joint-Stock of that Company, all or any of the Annuities for 99 Years, or Terms granted to make up 99 Years; and also the residue of Lottery 1710.

Secondly, That, for all the said Redeemable Debts, there shall be 100 l. added to the Capital-Stock of the said Company for every 100 l. so taken in; and the like Annuity to the said Companies Annuity as is now payable for such Debts, to be paid out of the Funds appropriated to those Debts.

Thirdly, That, if the *East-India Company* shall subscribe their *Capital-Stock* into the S. S. Company; the S. S. Company may have the like Sum added to their Capital, and the like Annuity to their present Annuity, as the *East-India Companies* present Capital and Annuity is.

Fourthly, As to the Annuities for 99 Years or Terms granted to make up 99 Years; That for every 5 l. per Ann. taken into the S. S. Company, that Company to have a like Annuity, and also to have 100 l. added to their Capital Stock; being after the rate of 20 Years Purchase.

Fifthly, As to the residue of Lottery 1710. They to be estimated at 11 Years Purchase, for the last 23 Years; so that the Company for every 5 l. per Ann. taken in to have 55 l. added to their Capital-Stock, and 2 l. 15 s. per Ann. to their Annuity.

Sixthly, That the S. S. Company be allow'd, towards Charges of Management, so much as the Publick now pay for the Charges of paying and assigning the Debts which shall be so taken into their Stock.

Seventhly, That the Annuity and Annuities for the thus to be encreased Capital be Redeemable, as and when the Companies present Capital or Annuity is Redeemable, or be actually reduced to 4 l. per Cent. per Ann. at Midsummer, 1727. Except as to the Fund of the *East-India Company*, which it is proposed shall be Redeemable, as and when the same now is Redeemable; or this may be Redeemable, with the rest of the Capital of the S. S. Company.

Eighthly, That the S. S. Companies Allowance for Charges of Management, as well the present, as that to be added thereto, do continue till their Capital be Redeemed.

Ninthly, That the Annuities to the S. S. Company for this to be encreas'd Stock be payable to them Weekly at the *Exchequer*, as their present Annuity is, and if more than one Moiety of any of the particular Species of Debts be subscribed or taken into the said Company; all the Duties appropriated to those Debts to be paid Weekly to the Company (so as one fourth part of the total Annuity payable for those Debts be not exceeded at the end of each Quarter) and that the Company pay thereout, the Interest or Annuity to such (if any) as shall happen not to come in, in the same manner, and at the same times as they are now to be paid.

Tenthly, It will, for several Reasons, be proper to grant to the S. S. Company the *sole Trade to Africa*; and to take into them the *Lord Yarmouth's Grant of the Royal-Mines there*: The S. S. Company paying the *African Company a reasonable Consideration* for their Forts, Settlements, and Interest; and to my Lord *Tarmonth* for his Grant.

Eleventhly, That if any of the said Debts don't come into the said Company, they to pay but a proportionable part of the said 3,500,000 l.

The Banks Debt on the Duty on Houses, is about	1,770,000
And their last Annuities are for	2,000,000
Total about	3,770,000

The 3,500,000 l. to be paid by the S. S. Company; with the Addition of 270,000 l. out of the present sinking Fund, will pay off the said 3,770,000 l. to the Bank: And then the Annuity for those Debts being 188,500 l. per Ann. will go to the increase of the sinking Fund.

And forasmuch as the present, and to be increased Annuity of the said Company will not be Redeem'd till *Midsummer 1724.* or perhaps *Midsummer 1727.* And there will be no other Fund to be in the mean time Redeemed; The sinking Fund may, till then, be lent on the *Land-Tax and Malt*, to be *Annually repaid out of the same*; which will save the Interest of all that Money to the Publick.

And the residue of the *Land-Tax and Malt*, or so much as shall be wanted thereon, will be lent by the said Company at a low Interest, who will have a Fund of about *Two Millions per Ann.* and can't better use it, between *Dividend and Dividend*, than by lending it on the *Land-Tax and Malt*.

All the Funds except the Banks Original Fund being thus brought into one Company,

Whenever it shall be found convenient to *Alter or Change*, or (if necessary) even to *sink* any of the most *Burthensome Funds*: The same may be done by Parliament, with the consent of the General Court of the Company, without any Complaint of Violation of Property, which Consent cannot be had while the Property is in Individuals.

And whereas, by reason of the Variety of the Debts, the Duties of Customs, Excise, Salt, Stamps, Leather, &c. are divided into several Branches, and differently appropriated, and distinct Accounts kept of each Branch, to the great Charge of the Publick, and greater Difficulty to the Payers: (especially to the Merchants on the Customs.) By this Scheme the Duties of Customs, Excise, &c. may be reduced into one Duty of Customs, Excise, &c. and save considerably to the Publick in the Charge of Management of those Duties, and be a great ease to the Merchants, &c. and tend to the Encouragement of Trade.

If the *Bank* shou'd desire (as it is probable when they see they are to be paid off, they will) to subscribe their said Debts to the *S. S. Company*, they may be permitted so to do; and a like Sum of Lottery Annuities may be left out to be paid off, by the Money to be paid by the *S. S. Company* to the Publick.

And perhaps, rather than be excluded the subscribing the said 3,770,000 *l.* of their Capital, they may consent to shorten considerably the Term they have in their Original Funds, so as their Corporate and Banking Capacity be continued till they are now Redeemable.

When Mr. *Aislabie* had perus'd the *Scheme*, he seem'd to approve of it in the Main; and said, That as the Government was possess'd of *Nova Scotia*, and the *French* part of *St. Christophers*, which was about one half of that Island, and then brought in no Advantage to the Publick, but if cultivated and improved in such manner as might be, by a Company with so great a Capital; they would not only increase the Publick Revenue by the Duties on their Products, but also be made very advantageous to the Company; and be a Means to make the Execution of this Scheme more certain. And as the Publick were to gain so much by the Scheme, he was of Opinion the King and Parliament might be prevailed upon to make a Grant of them to the said Company; and they, as well as the sole Trade to *Africa*, were accordingly mentioned to the Court of Directors, when the Scheme was first laid before them, and likewise opened together with the Scheme to the House of Commons.

The METHOD at first Proposed for executing the South-Sea SCHEME being referred to therein; it may not be improper to insert the same, which is as followeth, viz.

THE Total of their Capital was about	11,746,000 <i>l.</i>
Total of Annuities, and Debts to be taken in were	-30,981,000
then Computed at about	

Then the Total of their Capital Stock wou'd be	-42,727,000
--	-------------

The whole Sum to be taken in by the Company, being so large, and consisting of Annuities and Debts of various kinds, it was judged to be impracticable to take in the whole at one time, and that by taking them in at different Times, Prices and Proportions, the Proprietors thereof (through Apprehension of being either left intirely out, or of coming in afterwards, at a higher Price) wou'd be quicken'd to make their Subscriptions, whereby the Execution of the Scheme wou'd be render'd more easy and certain.

Though when the Scheme was first form'd, the Price of the Stock did not exceed 116 *l.* to 118. *per Cent*;

Yet it was suppos'd if the Proposal was accepted by the Parliament, that Acceptance wou'd so much increase the Credit of the Stock, as the Company might be able to take in the said Annuities and Debts, at the Rates, and in the Proportions herein after mention'd.

And if the *Bank* and *East-India Company*, or either of them wou'd come in, they were propos'd to be admitted into the first Subscription at 130 *l.* *per Cent.* or even lower, which wou'd nevertheless have increased the Profit to the *S. S. Company*.

But as their coming in was uncertain, the Calculation was made only upon the other Annuities, and Debts, viz.

6,500,000 l.	Annuities and Debts Subscribed at 130 per Cent. for the Stock	5,000,000
	wou'd produce Stock to the Subscribers	
7,000,000	Ditto Subscrib'd at 140 per Cent. wou'd be Stock to the Sub-	5,000,000
	scribers,	
7,500,000	Ditto Subscrib'd at 150 per Cent. wou'd be Stock to the Sub-	5,000,000
	scribers,	
9,981,000	Ditto, Subscrib'd at 160 per Cent. wou'd be Stock to the Sub-	6,238,125
	scribers,	
30,981,000		

Total Stock to the Subscribers ——— 21,238,125
 Stock gain'd to the Company ——— 9,742,875

Total Stock to the Company for the Annuities and Debts to be
 taken in ——— 30,981,000

Then the Capital wou'd stand thus,

Proprietors Old Capital	11,746,000
Proprietors New Capital by Subscriptions	21,238,125
Total Proprietors-Stock,	32,984,125
Stock belonging to the Company in their Corporate Capacity	9,742,875
gain'd by the Subscriptions,	
Total Capital as above	42,727,000
9,742,875 l. Stock to be sold by the Company at 160 l. per Cent.	15,588,600
amounts to in Money	
Out of which Deduct to be paid to the Publick	3,500,000
Refts Nett Profit to the Company	12,088,600
The Companies Fund or Income for about 38,600,000 l. at 5	1,930,000
per Cent. per Ann.	
For 4,127,000 l. at 4 per Cent. per Ann.	165,080
Total of the Companies Income, besides the Allowance to	2,095,080
them for Charges of Management.	
8 l. per Cent. per Ann. for a Dividend upon 32,984,125 Proprie-	2,638,730
tors Stock comes to	
Towards which the Companies Income wou'd be	2,095,080
Wanting to make an annual Dividend of 8 per Cent.	543,650

which by the gradual selling the Stock, the Company gain'd on the Subscriptions wou'd have supply'd the same for above 12 Years. Before the Expiration of which time it was supposed, the Benefit of their Trade to Africa, and the Grants of Nova Scotia, and of the French part of St. Christophers, wou'd have been sufficient to have perpetuated the Dividend, if not to have enlarg'd it.

N. B. In the above Method first propos'd for Execution of the Scheme, the Annuities and Debts to be taken in by the Company, are computed but at 30,981,000 l. whereas the Total of those Debts and Annuities, do by the Act appear, to amount to 31,808,000 l. which difference was occasioned, By reason that the Debt to the Army appear'd to the Houle of Commons, to exceed considerably, the Sum it was computed at in the S. S. Companies first Proposal; and some of the other Debts and Annuities mention'd in that Proposal, not being very exact: But we have chosen to publish the said Method of executing the Scheme, according as it was drawn, suitable to that Companies Proposal; though by the said exceeding of the Debt, the Profit both to the Publick and the Company, would have been more than in the above Calculations.

HAVING

HAVING thus given a plain and open account of the Scheme as originally formed, and of the Views intended by it, as well as the Method in which it was propos'd to be executed: It may not be amiss to remark, that the *biggest Calculation* of taking in the Annuities and Debts, was but 1601. *per Cent.* and that there were then *no Thoughts of any Money Subscriptions*: The first Notion of those Subscriptions having arisen purely from Proprietors without Doors, after the Act was pass'd.

IN THE NEXT PLACE a Calculation shall be given, of the *vast Sums of Money* which wou'd have been *saved to the Publick, had the Scheme been executed according to its original Design and Intention.*

FIRST, The long Annuities, which amounted to 667,705 l. 8 s. 1 d. *per Ann.* and were always esteem'd the great Obstacle to the bringing the Nation out of Debt, by reason of the certain term unexpired in those Annuities, (which therefore obtained the Name of *Irredeemables*) they wou'd not only have been put into a Condition of Redemption, but also after Midsummer 1727. by the Reduction of the Companies Fund, from 5 l. to 4 l. *per Cent. per Ann.* the Publick were to save one fifth part of the whole yearly Sum of those Annuities, which amounts to 133,541,1,7 *per Ann.* and these Annuities having about 75 Years to come one with another after Midsummer 1727, The Savings to the Publick by that Sum in the said Term of 75 Years, computing Interest upon Interest at 4 l. *per Cent. per Ann.* (which the Publick cou'd certainly make, or save at least, till the Companies Capital was all sunk, by paying it off annually) will amount to *above FORTY SIX MILLIONS, FIVE HUNDRED THOUSAND POUNDS,* which is thus proved.

1 l. *per Ann.* at 4 *per Cent.* Interest upon Interest, &c. for 75 Years, comes to 448,631 l. which is 448 l. 12 s. 7 d. *ferè*, 133,541, 1 s. 7 d. (being the Yearly Saving to the Publick from the said long Annuities) Multiply'd by 448,631 l. (being the amount of 1 l. *per Ann.* with Interest, upon Interest, at 4 *per Cent. per Ann.* for 75 Years) — } 59,910,632 l. amounts to

Out of which is to be deducted so much as the Capital Stock which the Company were to have for the said 667,705 l. 8 s. 1 d. *per Ann.* Long Annuities, at 20 Years Purchase, and which, when the Companies Capital should be Redeem'd, was to be paid to them by the Publick, amounts to } 13,354,108 l.

So that the clear Saving to the Publick on this Head, in 75 Years, would have been } 46,556,524 l.

Secondly, There was propos'd to be paid to the Publick by the S. S. Company Three Millions, Five Hundred Thousand Pounds, which being apply'd to pay off so much of the Banks Redeemable Annuity of 5 *per Cent.* (or other 5 *per Cent.* Redeemables if the Bank had come in) wou'd have saved to the Publick ONE HUNDRED, SEVENTY FIVE THOUSAND POUNDS *per Ann.* which, with Interest upon Interest at 4 *per Cent. per Ann.* for the like Term of 75 Years, amounts to *above SEVENTY EIGHT MILLIONS, FIVE HUNDRED THOUSAND POUNDS.*

Thirdly, The Total of 5 *per Cent.* Redeemables to be taken in was *per Ann.* — } 589,773:6:3

The Companies Fund for their Original Capital, which was to be reduced from 5 to 4 *per Cent. per Ann.* was } 587,340
Total of the 5 *per Cents.* which were to be reduc'd to 4 *per Cent. per Ann.* were } 1,177,113:6:3

By which after *Midsummer* 1727. there wou'd have been saved to the Publick above 235,426 l. *per Ann.* And (supposing these Debts wou'd not have been otherwise reduced to 4 *per Cent.* in the like Term of 75 Years) the *Saving to the publick thereby*, wou'd have amounted to above ONE HUNDRED and FIVE MILLIONS, SEVEN HUNDRED THOUSAND POUNDS.

So that the Total *Saving to the Publick by this Scheme* in the Term of 75 Years, wou'd have been above TWO HUNDRED and THIRTY MILLIONS, SEVEN HUNDRED THOUSAND POUNDS.

The before-mention'd Sum, was certainly what the Nation wou'd have saved in their Taxes in the Term of 75 Years, supposing that the Interest of the 5 *per Cent.* Redeemables, could not have been reduced to a less Interest in that time.

But forasmuch as it might be expected, as was afterwards agreed; that the Surplus of the Funds shou'd be apply'd to the paying off the Companies Capital, and after that the other Debts; It may be fit to consider this Scheme with respect to the annual Savings, and in what time, with the Assistance of the then sinking Fund, the same would have discharged the whole Debt of the Nation.

The State of the Publick Debts at that time, were taken to be as follows, *viz.*

The <i>South-Sea</i> Companies then Capital	————	11,746,844 l.
Annuities and Debts to be taken in by them Computed at	————	30,981,712 l.
		42,728,556 l.
The Banks Redeemable Annuities	———— 3,775,000	
Their Original Fund	———— 1,600,000	5,375,000 l.
<i>East-India</i> Companies Capital	————	3,200,000 l.
Total Debts	————	51,303,556 l.

Of which, for this Scheme, there was to be paid off by the S.S. Company } 3,500,000 l.

Total remaining Debt wou'd then have been — 47,803,556 l.

The ANNUAL SAVINGS by this Scheme wou'd have been as follows, *viz.*

By the Long Annuities ————— 133,541 l.

By the Interest or Annuity of the Debt to have been paid off }
with the 3,500,000 l. which should have been paid by } 175,000 l.
the *South-Sea*-Company —————

By the Reduction of the Companies Original Capital, and }
the 5 *per Cent.* Redeemables to be taken in by them } 235,426 l.
from 5 to 4 *per Cent.* —————

Total ANNUAL SAVINGS to the Publick by this Scheme — 543,967 l.

The then sinking Fund was computed to be about *per Ann.* — 636,000 l.

Total sinking Fund wou'd then have been *per Ann* — 1,179,967 l.

This

This sinking Fund of 1,179,967*l.* per Ann. being Inviolably apply'd, as was then propos'd to pay off the Publick Debts, wou'd have paid off the **WHOLE DEBT OF THE NATION** in about 24 Years, the Advantages whereof to this Kingdom are too obvious to every ones View to need any Remarks.

Besides which Savings to the Publick, other National Advantages were proposed, and would have ensued; amongst which the Reducing the several Branches of Customs, Excise, &c. to one entire Duty of Custom and Excise, and the being capable by Means of this Scheme to lessen, or even take off the most Burthensome Duties, ought not to be esteem'd small. Forasmuch as that is the likeliest, if not the only, way to make Trade, and thereby the Nation flourish. And had it not been for that part of the Scheme which has brought so many of the Funds into one Capital; how would the Parliament last Sessions have been able to take off several appropriated Duties which were found very Burthensome to Trade, and in particular to the Woollen Manufacture, without Violation of Publick Credit, or imposing new Duties in their Stead, which might in time have proved equally grievous.

As to the Advantages which would have accrued by this Scheme to the Proprietors of the Stock of the South-Sea Company, they are very visible; for their Stock which then sold from 116 to 118 per Cent. (and was intrinsically worth but about 90 per Cent.) wou'd certainly have advanced to at least 160 *l.* per Cent. and those who came in upon the first Subscriptions, (which was propos'd to have been taken in at 130 *l.* per Cent.) wou'd have had their Stock advance likewise to 160 *l.* per Cent. and those on the Second Subscription from 140 to 160 *l.* per Cent. and those on the Third Subscriptions from 150 to 160 per Cent. and those on the Fourth (which was proposed to be taken in at 160 *l.* per Cent.) could not in any Probability have been Losers, had the sole Trade to Africa, &c. been granted to the Company as was proposed; So that by this Scheme, the Publick, the old Proprietors of the Company, and most if not all others concerned, wou'd have been great Gainers, and none wou'd have been Losers.

SECTION

SECTION II.

Contains the Scheme as first shew'd to the Court of Directors, by Order of Mr. Aislabie; together with the several Proposals respectively made by the South-Sea-Company and Bank of England, to the Honourable House of Commons.

THE 21st of January 1719. the following Proposal was communicated by the Sub-Governor of the South-Sea Company, to the Court of Directors, which he told the Court was handed to him from the Right Honourable the Chancellor of the Exchequer, relating to the Enlargement of the Capital-Stock of that Company, viz.

Total of 5 per Cent. Redeemable Debts 11,795,466 l. 5 s. 6 d.

Total of 4 per Cent. Redeemable Debts 4,128,752 l. 7 s. 4 d.

Total Redeemable Debt 15,924,218 l. 12 s. 10 d.

UNREDEEMABLE

99 Years Annuities, at 20 Years Purchase 13,354,108 l. 1 s. 8 d.

Lottery 1710. Remaining, which were not subscribed 40,670 l. 8 s. per Ann. which at 14 Years Purchase } 569,385 l. 12 s. 0 d.

9 per Cent. 81000 l. per Ann. at 14 Years 1,134,000 l. 00 s. 00 d.

Total Unredeemable 15,057,493 l. 13 s. 8 d.

Total Redeemable and Unredeemable 30,981,712 l. 6 s. 6 d.

That the South-Sea Company may be permitted to enlarge their Capital, at any Time or Times, until Lady-Day 1721. by taking in any of the said Redeemable or Unredeemable Debts, on the Terms and Conditions following, viz.

First, That the said Redeemable Debts be taken into the said Company, either by Purchase, Subscription, or paying them off.

Secondly, That the said Unredeemable Annuities, be taken into the said Company, either by Purchase, or Voluntary Subscriptions of the Proprietors thereof, (and without any Compulsion on them) at such Price as shall be agreed between the Company and the Proprietors of those Annuities.

Thirdly, That for all the said Redeemable Debts, there shall be One Hundred Pounds added to the Capital Stock of the said Company, for every

every One Hundred Pounds so taken in, and a like Annuity added to the Companies present Annuity, as is now payable for the Interest of those Debts

Fourthly, That for the Annuities for 99 Years or Terms granted to make up 99 Years, for 5 *l. per Ann.* taken into the Company; there be 5 *l. per Ann.* added to the Companies present Annuity, and 100 *l.* to their Capital Stock, being after the Rate of 20 Years Purchase.

Fifthly, That the Residue of Lottery 1710. be estimated at 14 Years Purchase, for the 23 Years, from *Christmas* 1719. and the 9 *per Cents.* also at 14 Years Purchase, for the 22½ Years from *Christmas* 1719. and the Company to have Stock and Annuity proportionably, *viz.* 70 *l.* Stock, and 3 *l.* 10 *s. per Ann.* for every 5 *l. per Ann.* taken into Company.

Sixthly, That the Company be allow'd for Charges of Management, for their thus to be Increased Capital, so much as it now costs the Government; for the Charges of paying, assigning, and accounting for the said Debts; or such a Proportion thereof, as the Sum which shall be taken in by the Company shall bear to the whole of these Debts.

Seventhly, That the Annuities for the Companies present; and to be increased Capital, be continued till *Midsummer* 1727. and that from and after that Time, their then Annuity shall be reduced to 4 *per Cent. per Ann.* and Redeemable by Parliament.

Eighthly, That the Companies present, and to be increased Allowance for Charges of Management, do continue till their Capital be redeemed.

Ninthly, That the Annuities to the Company for this to be increased Capital, be paid them Weekly as their present Fund is; and to be charged on the Funds now appropriated to the said Debts, so taken into the Company.

Tenthly, That for the Liberty of increasing their Capital by the said Redeemable Debts, the Company pay the Government towards paying of the Publick Debts provided for by Parliament (before *Christmas* 1716.) the Sum of 1,500,000 *l.* certain, by 4 equal Quarterly Payments; the first Payment to be *Lady-Day* 1721.

Eleventhly, That the Company pay farther to the Government for the same Uses, 2 Years Purchase on all such of the said Unredeemable Annuities, as shall be taken into the Company, in 4 equal Quarterly Payments, on the same Days as the aforementioned 1,500,000 *l.* is payable; which reduces the 99 Years to 18 Years Purchase to the Publick, and the residue of the Lottery 1710. and the 9 *per Cents.* to 12 Years Purchase; and if the whole of the said Unredeemable Annuities are taken in, will amount to

.....	1,578 75 <i>l.</i> :12
To which add for the said Redeemable Debts		1,500,000 <i>l.</i>
Total to be paid the Government—	—	3,078,75 <i>l.</i> :12

Twelfthly, That tho' the Companies Capital is not to be Redeemable till *Midsummer* 1727. yet so much as shall arise by the sinking Fund before the Expiration of the said Term, after Payment of such part of the Redeemable Debt as shall not be taken in by the Company, may be apply'd at the end of every Year, towards paying off, in even Hundred Thousand Pounds, that part of the Companies Capital which carries 5 *per Cent.*

Thirteenthly, That for such *Exchequer* Bills, as the Parliament shall continue, or impower the Lords of the *Treasury*, either by the *Exchequer* or Trustees to be appointed by the Lords of the *Treasury*, to issue and circulate, without the Subscription or Contract of any Persons or Corporation, the Company shall be obliged till *Midsummer* 1727. and no longer, to pay such Proportion of Money and Interest as shall be found necessary, to circulate such *Exchequer* Bills, as the Sum of 800,000 *l.* shall bear to the Total

amount of such *Exchequer* Bills, and the Company to have alike Proportion of the Benefit of the Interest which shall be saved on such *Exchequer* Bills, during the Time they shall be in the Hands of any publick Officer, or in the *Exchequer*.

N. B. The Circulation and Weekly Payments to commence at *Midsummer*, 1720.

And all such of the Debts as shall be taken in by the Company before *Midsummer* 1720. the Interest thereon to commence to the Company from *Christmas* 1719.

And for such as shall be taken in after *Midsummer* 1720. and before *Christmas* 1720. the Interest to commence to the Company from *Midsummer* 1720.

And for such as shall be taken in after *Christmas* 1720. the Interest to commence to the Company from *Christmas* 1720.

WHEN this Proposal was first communicated to the Court of Directors; it was intimated to them, that there was hopes, this great advantage to the Publick wou'd induce the Parliament to grant the Company, the *Sole Trade to Africa*, (*they making reasonable Satisfaction to the then African Company for their Forts, Settlements and Interest*) and also *Nova Scotia*, and that which was the *French Part of St. Christophers*.

The Court of Directors, having well weighed the Matter, were of Opinion, That it might be practicable, and for the Interest of the Company to come into the Proposal. Of which the Chancellor of the *Exchequer* being acquainted, he soon after opened the same in a grand Committee of the Honourable House of *Commons*, with which the House appear'd well pleas'd; Only Objections were made by some few Members, against the Trade and Lands to be granted to the *South-Sea Company*. But just as the Committee were about to rise, Sir *John Cope*, a Director of the *Bank*, mov'd, That any other Corporation might have Liberty to make an Offer, for taking in the said *Annuities and Debts*, in which he was supported by several; and the Committee agreed thereto, and the 29th of *January* was appointed to receive the Proposals.

And, as this Matter is well represented by Mr. *Aislabie* in his Second Speech in the House of *Lords*, a Liberty is here taken to insert his own Words as they are in Page 9th and 10th of that Speech.

' And at last, the Scheme was formed and agreed to by all those in the Administration, as it was first opened and proposed in the House of Commons; and I do averr here, before Your Lordships, That there was not one Step taken in this Affair before it passed into an Act, that was not taken by the Concurrence, and Approbation of those in the Administration, and even some of the SECRET COMMITTEE: and so cautious and diffident was I of the Success of so great an Undertaking; That though the Scheme was adapted to the Notions and Opinions of those Gentlemen, who for two Sessions before had oppos'd all Measures for reducing the Interest of the Publick Debts, till the Long Annuities were made Redeemable, yet I would not adventure to introduce it to the House of Commons, till it had been communicated to and approv'd of by them; and as this Scheme was then calculated with no inconsiderable advantage to the Publick, as it at once rais'd Three Millions and a half towards the discharge of the Publick Debts, and at the same time, put the long and short Annuities into a State of being redeemed, and after four Years reduced the Interest of the whole Debt of England to four per Cent. and hereby made a vast Addition to the sinking Fund; I flatter my self, it could not be thought a bad Bargain to the Publick, as some were pleas'd to represent it, or liable to those unhappy Consequences, that have attended the Alteration of it, since it would have been restrain'd and ty'd down to such Conditions, as would have made it impossible for any Projectors to have hurt us.

But

‘ But my Lords, These Measures were all broke at once, by a sudden Resolution of the *Bank*, who before had shewn a great backwardness in undertaking any thing for the reducing the *Publick Debts*, and had treated this *Scheme* with great Contempt; I say my Lords, as soon as this Scheme was open’d in the *House of Commons*, the Gentlemen of the *Bank* were immediately stirr’d up to become Competitors for it, and to desire, that they might be suffer’d to offer Proposals, as well as the *South-Sea Company*.’

The *Bank* appearing Competitors, occasion’d a Meeting between the *Lords of the Treasury*, and others in the *Administration*, and several of the *Directors* of the *South-Sea Company*, in order to persuade the *South-Sea Company* (as Mr. *Aislaby* says) to offer four Millions certain, and they were prevail’d upon to offer 3,500,000 *l.* certain: And accordingly,

The 29th of *January*, the *South-Sea Company*, and also the *Bank* respectively deliver’d to the *House of Commons* their Proposals. The *South Sea Company*’s Proposal was much the same in Substance with that deliver’d to the Court of *Directors*, by Mr. *Aislaby*’s Order; only the Sum to be paid the *Publick* herein was 3,500,000 *l.* certain, and the Sum in *Exchequer Bills* to be circulated by the *Company gratis*, was alter’d from 800,000 *l.* to a Million.

The *Banks* Proposals differ’d something in Form, but was for the same Annuities and Debts as those in the *South Sea Companies* Proposal. The most material Difference was, That if the *Bank* took in all the Annuities, the Sum to be paid by them to the *Publick* came to above 5,500,000 *l.*

The *Banks* Proposal appearing to be above TWO MILLIONS more to the Advantage of the *Publick*, than that of the *South-Sea Company*, very much startled every Body; and occasion’d the *House of Commons* to defer the Consideration thereof till another Day, with a Liberty for each Company to deliver any further Proposals.

Both Companies in the Interim had General Courts, which respectively empower’d their Courts of *Directors* to make Proposals to the *Parliament*, as they shou’d think fit: The Proprietors of the *South-Sea Company* were so mov’d with this Competition of the *Bank*, that they order’d their Court of *Directors* not to lose the Scheme, cost what it wou’d.

Feb. 1st. Each Company deliver’d their respective farther Proposals to the *House of Commons*.

The *Banks* second Proposal was chiefly by way of Explanation of their first, with little material Difference.

But the *South-Sea Company* in their second Proposal, advanced the Sum certain to be paid to the *Publick* to 4,667,000 *l.*

And if all the Annuities were taken in, then the Sum to be paid to the *Publick* wou’d amount to ————— 7,567,500 *l.*

These Proposals having been at that time publish’d in Print, are not thought necessary to be inserted here.

THE *SOUTH-SEA-COMPANY* having now out-bid the *Bank*, their Proposal was accepted, and a Bill order’d to be brought in.

Those in the *House*, who had objected against giving the *South-Sea Company*, the *African Trade*, *Nova Scotia*, and that which was the *French part of St. Christophers*, being animated and strengthen’d by the Competition of the *Bank*, to oppose the same more strenuously; the *South-Sea-Company* were prevail’d with to leave those Advantages out of their Proposals, which were the substantial things to have supported their Stock, but still with assurance from those in the *Administration*, of using their utmost Endeavours to obtain them for the Company. But the Price of *South-Sea Stock* from the time of accepting their Proposal, to the passing the

the Act, rising very considerably, and the *Bank* and their Friends always opposing whatever appear'd to be for the Benefit of the *South-Sea Company*; they could never obtain those advantageous Grants, which they had much depended on (as solid supports to the Stock) tho' they frequently importun'd, and press'd the Ministry for the same.

From the *Competition* and *Opposition* of the *Bank* may be justly dated the Ruin of this Scheme, and the Rise of the Miseries and Misfortunes, that have attended the Execution of it, as there will hereafter be Occasion to mention.



SECTION III.

An Account of the several Subscriptions, and the Motives upon which they were made.

THE extraordinary Rise of the *South-Sea Stock*, before the passing the Act, together with the *Opposition* of the *Bank*, having defeated the Company of those Grants and Settlements, which they had depended upon, as the solid Supports of the Stock, as has been already hinted: nothing was left 'em, but the Opinion of Mankind, to enable 'em to execute the Act, which put 'em under a more than ordinary Necessity of complying with the general Disposition of the People; And therefore, tho' their Original Designs and Intentions were to have no Subscriptions but of the several Annuities and Debts, that were to be taken in: Yet there being immediately after passing of the Act, a prevailing Notion, among many of the Proprietors and others without Doors, (for it did not proceed from the Directors) of taking in Money Subscriptions, and this Opinion growing universal, the Directors found themselves under a necessity to depart from the Method, they had first intended to proceed in, and to begin the Execution of the Act with a Money Subscription, to which they were the more easily induc'd, finding the Method prescrib'd by the Act wou'd require a great many Months to effect the taking in but a part of those Publick Debts, and that unforeseen Accidents might so reduce the Price of Stock, as wholly to defeat the Execution of the Act, and yet the Company wou'd remain under the Obligation of paying to the Publick Four Millions, Six hundred Sixty Seven Thousand Pounds, tho' no part of the Act shou'd be executed.

A further Inducement to admit of a Money Subscription was, That they might be thereby enabled to pay off such of the Redeemable Debts, and to offer Money to such of the Annuityants, as shou'd not be enclined to take Stock for the same, they not being then certain, there would be such an Universal Disposition in those Proprietors to accept Stock for their Debts and Annuities, as afterwards appear'd; But when that Disposition did appear, the Directors had no occasion to apply the Money to that Use. By these and the like Considerations, the Directors were prevailed on to open a Money Subscription at 300 l. per Cent. with distant Times of Payment, and without limiting the Sum to be taken in; Stock being then 285 l. per Cent.

The

The Method they proceeded in was, That every Director took the Names of those Persons who apply'd to them, and the Sums for which they desir'd to be admitted into that Subscription; which when brought together, and cast up, amounted to so large a Sum, and the Names were of so considerable Persons; that tho' their first Intention was to have had that Subscription for no more than One Million, or at most One Million and a half, and tho' they permitted no one Person to have more than 4000*l.* and the Sums desired, were generally reduc'd: yet the Directors found they could not bring the Subscription to a less Sum than Two Millions, Two Hundred and Fifty Thousand Pounds; without giving such Disgust, as might prove prejudicial to the Company.

The first Money Subscription being thus fixt, and the Sum it amounted to being 6,750,000*l.* of which 60*l.* *per Cent.* being 1,350,000*l.* paid down, the Directors thought this Subscription a sufficient Fund, to enable them to execute the rest of the Act; and accordingly came to an *unanimous Resolution*, of taking *no more Money Subscriptions*.

But this Subscription soon selling at a considerable Profit, it can't be forgot, how impatient *Persons of all Ranks and Degrees* were for another *Money Subscription*, and by their Importunity, did prevail on the Directors to agree the 28th of *April*, to open one, which was done on the 30th of the same Month at 400*l.* *per Cent.* of which 40*l.* *per Cent.* was paid down: and the same Day, they resolv'd it as their *Opinion*, *Nemine Contradicente*, *not to take any farther Subscription in Money*.

This Subscription was intended also *not to exceed a Million*, but the Application to get into it, was such, that when the Directors came to examine the Names and Sums demanded, they found *they cou'd not reduce it, under a Million and a half, without giving the greatest Offence*.

But the Directors Thoughts being intent upon *executing the Act*, according to their first Design, *by taking in the Annuities and Redeemables; especially the former*, on which the Parliament had laid so great Strefs: They (the same Day on which 'twas agreed to open the Second Money Subscription) *previously resolv'd* on a Subscription for the *Annuities*, which met with such Success, that in a few Days, above *two thirds* of them were brought in; And on the 19th of *May*, (the Price of Stock being then 375*l.* *per Cent.*) the Directors fix'd the Price for the subscribed Annuities at 32 Years Purchase, to be paid as follows, *viz.*

For 100*l.* *per Ann.*

Stock 700 <i>l.</i> at 375 <i>l.</i> <i>per Cent.</i> which amounts to	2625 <i>l.</i>
In Money and the Companies Bond	575 <i>l.</i>
Total for 100 <i>l.</i> <i>per Ann.</i>	3200 <i>l.</i>

This gave great Satisfaction to all Parties concern'd, and the Stock and Subscriptions advanc'd so fast, that when the Parliament rose, the Stock was at near 800*l.* *per Cent.* and the Second Subscription sold for 500*l.* *per Cent.* Profit.

TO SHEW that the Rise of the Stock, and what was then done, in the Execution of the Act, was far from being at that time thought any ways Criminal: It may be permitted to cite a Paragraph in *His Majesties most gracious Speech to both Houses of Parliament*, on the 11th of *June*, when that Session ended, *viz.* 'The good Foundation you have prepar'd
' this Session for the Payment of the National Debts, and the Discharge of
' a great part of them, without the least Violation of the Publick Faith, will
' I hope, strengthen more and more the Union I desire to see among all my
' Subjects, and make our Friendship yet more valuable to Foreign
' Powers. F And

And a Copy of the Speech to his Majesty the same Day, by the Speaker of the *House of Commons*, has been seen, wherein were the following Words, viz.

Most Gracious Sovereign,

Y Our Majesties most Dutiful and Loyal Subjects, the Commons of *Great Britain* in Parliament assembled; had no sooner dispatch'd so much of the Supplies as were necessary to carry on the current Service, but they immediately apply'd themselves to find out Means for lessening the Publick Debt; in which, if your Commons have the Satisfaction to see the Success of their Endeavours, exceed even what the most sanguine cou'd hope; If Your Majesties good Subjects have now a certain Prospect of being eas'd of the heavy Load, of very near Eight Millions, in a little more than the compass of one Year: If the Difficulties in discharging that part of the National Debt, which by some were thought to be insuperable, without Breach of the Publick Faith, are now in a manner overcome; and if at the same time, every Branch of the Publick Credit is advanc'd to an unexpected, and some of them even to an amazing, height: Yet Your Commons must confess, that they have been only the happy Instruments in conveying these Benefits to Your People, and that all the Merit they can claim, is, in not having neglected an Opportunity, which the flourishing State of the Publick Credit put into their Hands; and must in Justice acknowledge, that all these surprizing Events, are owing to that profound Veneration and Esteem, which this Nation and all Europe has for Your Majesty. For Credit is so nice and delicate in its Nature, that though in all other Affairs, no Detriment is perceiv'd, no Mischief is felt, till a Calamity comes: Yet in whatever relates to Credit, the very Fear and Apprehension of Calamity is as mischievous as the Calamity it self, and Diffidence is the same thing as Destruction. Credit therefore, is only maintain'd in its present flourishing Condition, by the Experience Your People have had, of the Vigilance of Your Majesties Councils, and the Reliance on the Steadiness of Your Conduct; and since the just Confidence Your Subjects place in Your Majesties known Prudence and Wisdom, has enabled Your Commons to make so great Progress, towards discharging the Publick Incumbrances: It would have been highly unjust, when Your Majesty condescended to desire the Advice and Assistance of Your Commons, had they declined to support the Honour and Dignity of the Crown, at a Time when the Nation receives so much benefit from its Lustre; and it would have been equally ungrateful, had they not cheerfully provided the necessary Aids, to make the Supplies voted at the Beginning of this Session effectual.

THE PRICE OF STOCK, and also of the first and second Subscriptions, advancing daily from the time of fixing the Price for the Annuities taken in, caus'd many pressing Sollicitations from Persons of all Ranks and Degrees for another Money Subscription, to which the Directors constantly shew'd an Aversion, and endeavour'd to dissuade them from it; giving for Answer, The Resolution they had come to, against any more Money Subscriptions. But this did not stop, but rather encreas'd the general Importunity; and from Perswasions many proceeded to Menaces and Clamour, back'd with Imputations, that if that favourable Opportunity of executing the Scheme was neglected, the Blame must be charg'd on the Directors: Whereby they were at length brought almost to an absolute Necessity of opening a third Money Subscription, which they did on the 17th of June 1720. And the same was open'd the sooner, at the earnest Instance of many Members of both Houses, who desir'd it might be made before their going into the Country.

June 17.

At

At this time the Price of Stock being about 800 *l. per Cent.* and the Second Subscription selling for about 500 *l. per Cent.* advance, and great Numbers of those who desir'd to be admitted into the Third Subscription, having requested it at 1000 *l. per Cent.* The Directors thought they could not set it at a less Price; but they allow'd such Times of Payment as with the *Midsummer* Dividend, reduc'd it to about 800 *l. per Cent.*

This met with no Blame from any Person at that Time, but on the contrary, universal Approbation; as appear'd by the Price this Third Subscription bore, it soon selling at 300 *l. per Cent.* Profit.

When this Subscription was compleated, the Directors came again to a Resolution of taking no more Money Subscriptions; and apply'd themselves to take in the Remainder of the *Annuities* and *Redeemables*. To which end on the 8th of July, they agreed to open their Books on the 12th of that Month, to take in part of them, which was accordingly done, and in a few Days, most of the *Redeemables* and *Annuities* standing out, were subscribed; but some of the Proprietors of those *Debts* and *Annuities*, by reason of their absence or other Impediments, not having an Opportunity to subscribe, before the Books were shut, made great Application to the Directors to be admitted; who being willing to compleat the Execution of the *Act*, with as much Expedition as they could, did on the 27th of July, resolve to open Books on the 4th of August following, for taking in the Remainder of those *Debts* and *Annuities*, and most of those which were standing out were then brought in.

On the 12th of August the Price of Stock, inclusive of the *Midsummer* Dividend, was upwards of 900 *l. per Cent.* which made the Stock, exclusive of that Dividend, about 820 *l. per Cent.* The Directors agreed to fix the Price of the subscribed *Long Annuities* at 36 Years Purchase, and the *Redeemables* at 105 *l. per Cent.* and the Price of Stock to be given for the same, at 800 *l. per Cent.* so that the *Redeemables*, considering they were taken in at 105 *l. per Cent.* had the Stock at about 60 *l. per Cent.* under the current Price, which gave general Satisfaction at that Time.

It farther appear'd even to Demonstration, that the Terms allowed for the *Annuities* and *Redeemables* which were subscrib'd, were very satisfactory, because they were sold at a much higher Price than the unsubscribed; and, sometime after this Price was declared in the *Gazette*, many considerable Proprietors of the unsubscribed *Annuities* and *Debts*, press'd and ask'd it as a Favour, to be, and were accordingly admitted to Subscribe; and particularly several *Foreigners* and *Merchants*, entrusted here, by them for their Use.

ALTHOUGH the Directors had come to several Resolutions against any farther Money Subscriptions, those Resolutions were not sufficient to stem the repeated Applications for the same, from Multitudes of all Ranks; and the Proprietors of the Stock began to Clamour at their not being admitted to their Proportions in the former Subscriptions, and some of them threatened to demand a General Court, to order, that the Proprietors might be admitted to a Subscription in proportion to their Stock, which oblig'd the Directors to take that matter into Consideration: And the same Day on which they fix'd the Price of Stock for the two last Subscriptions of the *Annuities* and *Redeemables*, they agreed to take a Subscription of 20 *per Cent.* on Stock for the Proprietors only; the Stock in such Subscription to be valu'd at 1000 *per Cent.* which at that time gave great Pleasure and Satisfaction to the Proprietors, and 40 *l. per Cent.* was offer'd, for the Privilege of that Subscription.

But

August 24.

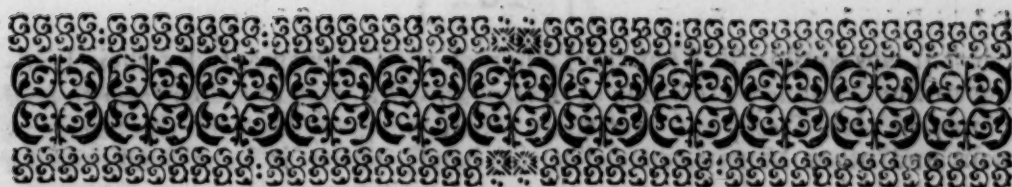
But this did not take off the Applications for another Money Subscription to all Persons indifferently, to which the *Directors* shew'd a great *Unwillingness*; but by the continued Sollicitations of *Multitudes of all Degrees*, and from *all Parts*, they at length consented to open a Fourth Money Subscription on the 24th of *August*, at 1000 *l. per Cent.* exclusive of the *Midsummer Dividend*, (the Third Subscription then selling at about 300 *l. per Cent.* advance). But to prevent this Subscription running to an excessive Sum; they agreed, that one fifth part being 200 *l. per Cent.* should be paid down, and none to be admitted, but those who brought their Money that very Day.

The eagerness for this Subscription was so great, that notwithstanding this Precaution, and the Directors full Intention, that this Subscription shou'd not exceed a Million, yet in a few Hours, there was 1,200,000 *l.* subscrib'd, although many were excluded, who press'd very earnestly to come in. Had not the Directors taken that Precaution, in relation to this *Fourth Subscription*, it would probably have swell'd to a larger Sum than the *Third*; as is manifest, not only by the eager filling so great a Sum, (as is mention'd) in so short a space, and the *numberless Letters*, the *Directors* receiv'd from Persons who desir'd to be admitted into it, but also by a memorable Reply, that a *great Minister of State*, since dead, made to them, upon their informing him of the Method they intended to proceed in; who thereupon told them, That he himself had a List for *above a Million* for that Subscription, and that therefore, if they would proceed in the Method they had propos'd, without taking in Lists, as they had done in the Third Subscription; he desir'd that they would *publish an Advertisement* in the *Daily Courant*, that it was *not in his Power to serve his Friends*; that thereby he might *clear himself from the Clamour and Charge*, that wou'd arise against him, for having neglected them.

As to the Subscription for 20 *l. per Cent.* to be limited to the Proprietors only, the same was afterwards, for several Reasons, thought fit by the *General Court* to be omitted.

The Spring of the Money Subscriptions arose from without Doors, and not from the Directors themselves, as already mention'd; and one may venture to say, *Those Subscriptions* were countenanc'd by the *Parliament*; for that after the *first Money Subscription* was taken, there having arisen some Doubt concerning the Validity thereof: The *Parliament* were pleas'd to *pass a Clause* in the *Act*, for *establishing the two Insurance Companies*, confirming not only the Subscription taken, but also all such Subscriptions as shou'd after be taken; and to *make the Receipts* that shou'd be given out for the same, *Assignable in Law*, which they wou'd not have been without Authority of *Parliament*.

SECTION



SECTION IV.

Contains an Account of the Loans on Stock, and Subscriptions, and of the Powers given by the General Court to the Court of Directors for such Loans; With Answers to the Objections concerning the same.

FORASMUCH, as by several *Resolutions* of the *House of Commons*, and the *Preamble* to the *Bill* for taking away the late *Directors Estates*, as the same was first brought into that House; It appears, that what is called the *Exceedings of the Loans*, was the *Principal Ground*, on which the House went, for taking away their *Estates*, and subjecting them to other *Hardships* in that *Bill*: It is presum'd, it will be no unacceptable thing to the Publick, to set that *Affair* in a clear Light:

But first of all, it may be necessary to premise, That at the first entering into this Scheme, the *Directors* had not the least Thoughts or Intention of lending Money upon Stock, their Design being only the taking in the *Annuities* and *Debts* themselves by Subscription.

But while the *Bill* was depending, a *Motion* was made in the *House of Commons*, for inserting a Clause therein; to enable the *Lords of the Treasury*, to make forth a *Million of new Exchequer-Bills* to be lent by them, or *Trustees* to be appointed by them, to such Persons as should desire the same upon *South-Sea-Stock*; which was alledged, would be a Means to make the Execution of the *Act* more certain.

This Proposition appear'd very pleasing to the House; Only it was objected; that the lending those *Bills*, shou'd not be in the *Lords of the Treasury*, or *Trustees* appointed by them, lest they shou'd make distinction of the Persons they lent them to, and so oblige their Favorites, and refuse all others. Therefore, it was thought more adviseable, that the whole Sum shou'd be lent to the Company, and they to lend it out as they thought best, to avoid that Partiality, which in the other Method was apprehended might be shewn; and accordingly the whole Sum of those *Bills* was lent to the Company.

This gave the first Rise to the *Notion of Loans upon Stock*, and fill'd every bodies Head with a desire of being Borrowers, and caus'd the purchasing of great Quantities of Stock, to be paid for at such distant Times, as it was thought the *Exchequer-Bills* might be prepar'd in, and issu'd out: such Purchasers hoping to borrow so many of those *Bills*, as might enable 'em to pay for the Stock they had bought.

THE COURT OF DIRECTORS having as above mention'd, taken the first Money Subscription on the 14th of *April*, for 2,250,000 l. at 300 l. per Cent. of which 60 l. per Cent. was paid down, they called a *General Court* on the 21st of the same Month, and acquainted them therewith; at which *General*

Court it was consider'd, That the Design of the Government, by their lending to the Company a *Million of Exchequer-Bills*, was to enable them to lend Money on their Stock, and that there would be great Sums of the Subscriptions and other Money remaining in hand, which if kept dead, till the same could be apply'd to pay off the *Annuities and Debts*, might prove very prejudicial to, and stagnate the *Publick Credit*, and be likewise prejudicial to the further Execution of the *Act*: Therefore it was thought proper, That Money shou'd be us'd, in lending on the Stock of the Company, whereupon they came to the following Resolution, *Nemine Contradicente*, viz.

THAT the Court of Directors be, and are hereby empowered from Time to Time, as they shall see for the Interest of the Company, to lend any Sum or Sums of the Companies Money, on the Companies present, and to be encreas'd Capital; and to do all such Matters and Things as they shall judge most for the good of the Company.

The Objections made to the Conduct of the Directors with respect to the Loans, are the three following, viz.

First, That there was more lent in several of the Loans to some Persons, than by the Regulations or Orders made by the Court of Directors, should have been lent to any one Person.

Secondly, That in several Instances, there was more lent upon each 100*l.* Stock, than by the Orders of the Court of Directors should have been lent.

Thirdly, That the Court of Directors had not a sufficient Authority from the General Court to lend any Money upon Subscriptions.

For answer to the two first of these Objections, It ought to be consider'd: That the Order of the General Court, to empower the Court of Directors to lend Money, was without any Restrictions, as to the Sum to be lent to any one Person, or the Sum to be lent upon each Hundred Pound Stock; so that all those Restrictions and Regulations were made only by the Court of Directors, who had Power to revoke, alter, or dispence with their own Orders. For no Man can doubt, but that the same Power, which makes any Laws, Rules or Orders, can dispence with, alter or disanull, their own Laws and Orders; Therefore so far as the Court of Directors were, or by Inspection of the Book of Loans might be, inform'd of those Exceedings in the Loans, may one not say, that the same was an Acquiescence in such Exceedings, and consequently a Repeal of, or Dispensation with their former Regulations and Orders relating to those Loans?

But if it can be suppos'd that this Acquiescence was not sufficient to repeal or dispence with the former Regulations of the Court of Directors, as to these Loans: Yet as the Care of those Loans, and the keeping up to the Regulations concerning them, was wholly referr'd to the Committee of Treasury; Why should the Loss thereby be charged upon all the rest of the Directors? And it seems more difficult to assign a just Reason, why several of that Committee have larger Allowances granted them for their Subsistence, in proportion to their Estates, than many others who were not of that Committee?

AS to the third Objection, That the Court of Directors had not sufficient Power to lend any Money on Subscriptions.

We observe, That the Court of Directors were by the Order of a General Court, empower'd to lend any Sum or Sums of the Companies Money, on the Companies

Companies present and to be encreased Capital, which Words, To lend the Companies Money on the Companies to be encreased Capital: It is conceived, could have no other Construction, than to lend any Sum or Sums of the Companies Money on Subscriptions.

FOR as to the *Annuities subscribed in May following*, they were not, nor could not, with all the Application the Court of Directors and their Officers could use, be made *Capital Stock*, so as to be Transferr'd, or made capable of lending Money thereon, till *October following*: And the *Subscriptions* for the *Redeemables* taken in *July* could not, altho' all possible Endeavours were us'd to forward them, be made *Transferrable Stock*, or capable to be lent on, till *December following*. So that it is not to be suppos'd, that the *General Court* should give the *Court of Directors* a Power, which they could not begin to put in Practice, till six or eight Months after; which must have been the Case, if those Words, *to be encreas'd Capital*, were to have had any other Construction, than that of the *Money Subscriptions*.

And to demonstrate that by the Words, *to be encreased Capital*, the *General Court* did intend, and understood to be meant, the *Money Subscriptions*, They at the same *General Court*, termed the *first* and other *Money Subscriptions*, **ADDITIONAL STOCK**, which is of the same Signification, as *to be encreas'd Stock*; for after they had voted the *Ten per Cent. Stock* for the then next *Midsummer Dividend*, they therein made the following Resolutions, viz.

That the **ADDITIONAL STOCK** to be made to this Company, by the **PRESENT SUBSCRIPTION**, being the *first Money Subscription*, and all such **ADDITIONS** as shall be made to the *Capital Stock* of this Company, before *Midsummer* next, either by *Subscriptions* or otherwise, shall be entitled to the like Dividend.

It is farther to be noted; That at a *General Court* held the 8th of *September 1720*. which was after the *Loans on Stock*, and *Subscriptions* were made and publickly known; They came to a Resolution, *Nemine Contradicente*, in the following Words, viz.

Resolv'd, That this Court doth approve of, and thank the Sub and Deputy Governors and Directors, for their prudent Conduct, in executing so great a part of the Act of Parliament, for enlarging the Companies Capital Stock.

Which is surely an *Approbation* of the said *Loans on Stock* and *Subscriptions*, as well as the other parts of the *Director's Conduct*.

It may be further added on this Head, That the Money lent on such *Stock* and *Subscriptions*, was but about half what they were currently sold for, at the Times the *Loans* were made.

THE Facts of the *Directors Proceedings* in the Execution of the *Act* being thus stated, and the Motives which led them into the same, being all Matters of so publick a Nature, that most of them appear in the *Minutes* of the *General Court*, and *Court of Directors*, and the rest being what every Man's own Conscience, who had any *Negotiations* in, or made any *Observation* of the *Transactions* of that Time, will confirm, they will not admit of being controverted.

IT is moreover presum'd, That the Proceedings of the *Directors*, may be justify'd by the common and natural Rules of *Reason* and *Prudence*.

FOR

FOR it ought to be consider'd, that the *Parliament* not only expected, the *Company* shou'd bring the *Annuities* into a state of *Redemption*, but also ty'd the *Company* down, *absolutely to pay to the Publick* FOUR MILLIONS, SIX HUNDRED, SIXTY SEVEN THOUSAND POUNDS certain, whether any part of the *Act* was executed or not, and also to pay about *Three Millions* more for the *Annuities*, or in Proportion to such part thereof, as they should take in.

And it may be farther justly observ'd, How wide a Difference there was, between the *Original Scheme*, and the *Act of Parliament*. For had *That Scheme* taken place, as at first propos'd, neither the *Publick*, nor the *Company* could have undergone a Disappointment in the Execution of it; but as the *Act* was made, the *failure of Execution*, would have cost the *Company* above 40 per Cent. of their then Capital, whereby their Stock would have been reduc'd to under 50 l. per Cent. which, when the Scheme was first propos'd, sold at about 118 l. per Cent. tho' intrinsically worth but about 90 l. per Cent.

If there were no other Reasons, yet the Danger of so great a Loss to the *Company*, made it indispensibly necessary for the Directors to endeavour to go through with the Execution of the *Act* with the utmost Expedition, and in such manner as they could, whilst People were in a Disposition to come into it; For had they neglected the Execution when it was in their Power, and thereby subjected the *Company* to so great a Loss, Might it not have been as likely, and with more appearance of Reason, that their Estates would then have been made liable to answer that Loss to the *Company*; Than that their Estates shou'd now be taken away, towards recompensing to the *Company* the Loss by the Loans, for making which Loans they had the Authority of the *General Court*?

SEEING then the encreasing to so great a Sum, the Sum to be paid by the *Company* to the *Publick*, was a Means that contributed to the Miscarriage of it: It is reasonable to conclude, that however any Persons at the time of passing the *Act*, might boast, that by the *Banks* Opposition, they had gain'd to the *Publick* Four Millions of Money, YET to considering, and impartial Judges, it will rather be thought, That they lost the *Publick* a Million and a half of Money, and disappointed the best Scheme that ever yet appeared for bringing the Nation entirely out of Debt, and were the *Original Source* and *Spring* from whence all the late *Calamities* flow'd.

And those who would be impartial in their Judgment, ought to consider, and make Allowance for the prevailing *Humours* and *Passions* of all Degrees of People at that Time, which over-run all Bounds of Moderation and Discretion; And should these unhappy Directors have taken upon themselves alone, to have stop'd that Torrent, and acted the reverse of what they did, and had admitted of no Money Subscriptions, or kept the Money taken upon those Subscriptions, till they could have paid off the Redeemables, which could not have been done in a Years time, Would not that Stagnation of Money have distress'd the *Publick* Credit, and ruin'd the further Execution of the *Act*? And can any one conceive the Load of Censure, or worse, which they must have thereby unavoidably been brought under, as being the Cause, not only of defeating the Execution of the *Act*, but also, of all the *Calamities*, Misfortunes and Losses that had ensued.

SECTION



SECTION V.

Of the Causes which contributed to the Extravagant Rise of Stock, and the Losses and Misfortunes, which ensued.

IT IS NOT to be wonder'd, if Persons sustaining severe Losses, and labouring under the heavy Effects of them, shou'd not immediately form a just Judgment of the real Cause of those Misfortunes, and so attribute them to something near at Hand, though the most remote from the true Cause, and consequently fix the Blame any where but upon themselves. So in the present Case, the late Directors of the *South-Sea-Company*, having the Execution of the *Act* in a great Measure committed to their Care, and the Transactions of that Company having been most in View, whatever Misfortunes happen'd, either by *South-Sea*, or by any other Stock, or even by the Bubbles; the Whole became a Subject of Complaint against the *South-Sea Directors*.

But as there is now Reason to believe, that the accusom'd Temper and Candor, which most Men govern'd themselves by, has recover'd it self; it may be proper without Prejudice or Partiality, to trace the genuine and original Springs and Causes from whence those Misfortunes have arose.

The Scheme, in its first Original Form, and as deliver'd to those in the Administration, has been shewn, together with the Method then laid down for the executing thereof.

There it may be observed; that the highest Calculation of the Stock was 160 *l. per Cent.* and that Advance supported by such beneficial Grants to the Company, which if pursu'd, and ripen'd into actual Execution, would have kept the Stock at least to that Price, without being detrimental to any. But several Publick Advantages would necessarily have arisen therefrom, some of which shall be here again repeated.

First, *The bringing the Annuities into a State of Redemption*, which had been always thought the unsurmountable Obstacle to getting the Nation out of Debt.

Secondly, *The reducing the Interest of the Publick Debts from 5 to 4 per Cent.* and thereby encreasing the sinking Fund, above 540,000 *l. per Ann.* by which the whole Debt of the Nation might have been paid off in about 24 Years.

Thirdly, *The lowering the common rate of Interest*, which would soon have follow'd, as a necessary Consequence thereof.

Fourthly, *The Trade and Revenues of the Kingdom would have been encreas'd*, by the peopling and cultivating *Nova Scotia*, and the *French* part of *St. Christophers*; and especially, by enlarging and opening the Trade to *Africa*, into the Inland Parts of the Continent, whereby they could scarce have fail'd of discovering the many rich Gold Mines, which unquestionably are there, and from thence, an immense Treasure might have been brought into this Kingdom.

These appear to be some of the pleasing Thoughts, which entertain'd the Minds of the Authors in the first Formation of the Scheme, and could not but charm the Heart of every sincere well Wisher to the Prosperity of the Nation; But as no Age nor Country has been free from Persons, who, under the specious Name of Patriots, have malign'd and oppos'd every thing that has appear'd for the common Benefit, whereof they have not been the Authors; falsely imagining that whatever Credit any other Persons obtain'd, is a Diminution to themselves, and thus it has happen'd in some respect in the Case before us.

For tho' this Scheme, as deliver'd to the *Chancellor* of the *Exchequer*, was by him, as we are well assur'd, offer'd to the *Directors* of the *Bank*, and they, as he says in his before quoted Speech, shew'd a great Backwardness in undertaking any thing for the *reducing* the *Publick Debts*, and treated this Scheme with *Contempt*; Yet as soon as they found the *South Sea Company* were like to come into it, the *Bank* and their Friends began to raise Objections to it, as not sufficiently advantageous to the *Publick*, there being no Certainty of what the *Publick* shou'd gain by it; because as the same was first propos'd, the Money payable to the *Publick* was only *pro rato*, and in *Proportion* to the Sum of the *Annuities* and *Debts* which should be taken in.

THIS Objection caus'd that Alteration which was made in the Scheme, before the same was shewn to the Court of Directors; whereby the Company were to be oblig'd to pay the *Publick*, a Million and a half certain, in all Events for the Redeemables, whether any of them were taken in or not.

AND TO THIS OPPOSITION, may be, as is before shewn, justly imputed the beginning of the DESTRUCTION OF THAT SCHEME, and of the Misfortunes that ensued: Not that this was the only Share the Conduct of the Directors of the Bank had therein, as will appear by what follows.

FOR no sooner was this Scheme open'd in the *House of Commons*, in favour of the *South-Sea Company*, but (as is before set forth) it appear'd the Bank were come to a Resolution to be Competitors for it: Which so warm'd the Spirits of the Proprietors of the *South-Sea Company*, that tho' what was first propos'd to them, was but a Million and a Half certain for the Redeemables, and about the like farther Sum for the *Annuities*, or *pro rato*, for so many of them as shou'd be taken in; Yet they were prevail'd upon to make their Proposal 3,500,000*l.* certain, for the whole of the *Annuities* and *Debts*.

BUT the Banks Proposal which was deliver'd at the same time, amounted to above 5,500,000*l.* which was above TWO MILLIONS more than the *South-Sea Companies Proposal*.

THIS Proposal of the Bank, exceeding so much that of the *South-Sea Company*, gave the first Fire to the Imaginations of Mankind, that there was something more advantageous in this Scheme, than had been conceiv'd; so that to this (as it may be safely call'd) extravagant bidding of the Bank, may be attributed the subsequent Dealings in this Stock, at such excessive and pernicious Prices.

AND this Offer of the Bank spirited up the General Court of the *South-Sea Company*, to give that Instruction to their Directors, not to lose the Scheme, cost what it would.

It was given out, That the Bank would considerably advance beyond their first Proposal, (which was not without Foundation, for 'tis certain, they were advis'd, and had once agreed to make an Offer of Nine Millions) whereby the *South-Sea Directors* were driven in to the making the large Offer in their Second Proposal: And from the Time of the Acceptance thereof, began those great Transactions in the Stock, which occasion'd all the Misfortunes that have happen'd. For though in Reality the Scheme was so much the worse, as the Money paid for it to the *Publick*, exceeded what

what was at first propos'd, Yet by the OPPOSITION and great Offer of the Bank, Peoples Minds were so heated, and their Passions so animated, with Apprehensions of inconceivable Advantages, that from this time, they seem'd to throw away all Reason, and give themselves up wholly to Humour.

SO that, as has been said, upon the Banks COMPETITION and OPPOSITION, may be charged the Principal Cause of all the Misfortunes that follow'd.

NOR was this the last Step which the Directors of the Bank took, that contributed to our Misfortunes.

FOR though it had often been propos'd to them by their Proprietors, to lend Money upon their own Stock, yet they could never be brought into it, till the South-Sea Stock was greatly advanced, and then they came into a Resolution, of lending Money on their own Stock, which could not be done with any other View, than that of raising it beyond its real Value, and farther pushing up of the South-Sea-Stock, as Mr. Aislaby has very well observed in his said Speech: wherein Page 15. speaking of the Bubbles, he expresses himself as follows, viz.

' My Lords, I must not omit to take Notice, that this Spirit of Bubbling
' had prevailed so universally, that to shew you what wou'd have been the
' Case, if the Bank had obtained the Scheme, the very Bank became a
' Bubble; and this My Lords, not by Chance or Necessity, or from any En-
' gagement to raise Money for the Publick Service, but from the same
' Spirit that actuated Temple Mills, or Garraway's Fishery. For this Purpose,
' My Lords, they entertained a Scheme in Imitation of the South-Sea, of
' lending Money upon their Stock, which as it contributed to raise the
' Price of their own Stock, so it furnish'd a Supply of Cash to the Gamesters
' in the Alley, that at once push'd up the Bubbles, and the South-Sea to
' an immoderate height. But as this was intended chiefly to advance
' their own Stock, let the Project come from what Hand soever, it was
' founded in the same Iniquity with any other Bubble, and was of ten
' Times more dangerous Consequence: For as Bank Stock was rais'd by it,
' from 150 l. to 245 l. and as it has from thence fallen to 120 l. there have
' been many Millions lost upon it, besides the fatal Consequence it had
' like to have had upon the Publick Credit: for, for want of this Money,
' which was lockt up in Loans upon their own Stock, and could not readi-
' ly be come at; they were at a Loss when the Crash happen'd, and were
' forced to have recourse to Subscriptions, supported chiefly by the Adven-
' turers of the South-Sea, and to a MEMORABLE BARGAIN with the
' South-Sea-Company'.

And, to confirm what Mr. Aislaby says would have been the Case, if the Bank had obtained the Scheme; and to convince the World, that the Bank, if they had had it, would have executed it, at the highest rate they could: One need only reflect how solicitous almost every Director of the Bank was, to get into the Third Subscription; in so much, that when the Directors of the South-Sea Company had limited, in order to prevent that Subscription running up to an excessive Sum,

That no Member of Parliament (except such as were in the List of Persons in the Administration) nor Director of the Bank or East-India Company, nor Alderman of London, should have more than 1000 l. in that Subscription. One of the most considerable Directors of the Bank of England, who was then a Member of Parliament, and an Alderman, as well as Director of the Bank, wrote a Letter to one of the Directors of the South-Sea Company, demanding to have 3000 l. in that Subscription; as having Three of those Capacities, which were

were admitted to 1000*l.* each; but the same was refus'd him, and he was forc'd, much against his Will, to be content with 1000*l.* Subscription; but the present Governor of the Bank, being then Deputy Governor, was, tho' not without great Importunity, admitted to 2000*l.* in that Subscription.

For a further Confirmation of what has been said; It may not be improper to take Notice, that when the Directors of the South-Sea Company agreed to open a Subscription for the Redeemables, the South Sea Stock happen'd to be about its highest; and then were the whole Body of the Directors of the Bank so sanguine, as to cause the following Letter to be written to one of the Directors of the South-Sea Company, viz.

S I R,

THE Bank being possess'd of several Sums in the Redeemables, transferable in the Bank, not exceeding 300,000 *l.* and having resolv'd to write them in upon the present Subscription: We desire your Favour to inform us, whither we may depend upon its being effected.

Your Answer this Evening, or to Morrow-Morning early, will much oblige,

S I R,

Your Humble Servants,

Bank, 12th July, 1726.

John Hanger, Governor.
John Ward,
Peter Delme,
Nath. Gould.

THIS LETTER being laid before the Court of Directors of the South-Sea Company, the Banks Request was comply'd with, whereof their Governor being acquainted, the several Species of the Banks Redeemables, which before were in several Names, were transferr'd into the Joint Names of Mr. Hanger, their Governor, and Sir John Ward, in order to their being subscrib'd into the South-Sea Company; and they made a Letter of Attorney to that Director of the South-Sea Company, to whom they had writ the said Letter, to empower him, to subscribe them in; and the Governor of the Bank of England himself did that Director the Honour, to bring that Letter of Attorney to his House, who made the Subscription accordingly.

How far this Eagerness of the Bank contributed to the hurrying in the rest of the Redeemables, the Proprietors of those Debts are themselves the best Judges.

The next Step of the Bank, that shall be taken notice of, is, that which Mr. Aislavie, in the Paragraph of his Speech before quoted, calls the memorable Bargain with the South-Sea Company. Concerning which, that no Injustice may be done to the Gentlemen of the Bank, the Transactions thereof, shall be set down in the Words of the Minutes of the Committee of the South-Sea Directors, who treated with the Bank thereupon, as deliver'd in to the Honourable House of Commons.

Thursday



Thursday 15th of September 1720.

At a Meeting of the following Gentlemen.

Sir John Fellows,
Charles Joye, Esq;
Sir Theodore Janßen,
Mr. Chester.

Sir Matthew Decker,
Sir John Eyles,
Mr. Lyell,
William Dawson, Esq;

The Gentlemen present discoursed in relation to the keeping up the Credit of Exchange, and that the Directors of the Bank should be conferred with on that Head.

Friday 16. September 1720.

At a Meeting of the same Gentlemen at Mr. Lyels, present besides,

Sir Gilbert Heathcot,
Sir Peter Delmé,
Mr. Gould.

The Gentlemen again discoursed on the Business of Exchange, and it was agreed; That the East-India and South-Sea Company should buy 50,000 l. in Gold, and the Bank took time to consider of it; and a Paper was given Mr. Dawson, to give to the Bank, a Copy of which follows, viz.

The Court of Directors of the South-Sea Company do think it of importance to the Publick Credit; that their Bonds to a certain Sum be circulated for a Time to be agreed on, and are of Opinion, the same may be best done for the Publick Service, by the Bank of England; and if they are willing to undertake the same, the Court of Directors of the South-Sea Company, have empowered the Sub and Deputy Governors to treat with them about it.

Tuesday 20 September 1720.

At a Meeting of the Sub and Deputy Governors, and several Directors of the South-Sea Company and the Bank of England.

The Gentlemen present conferred in the Presence of several Persons of the first Rank, upon the Subject matter of the aforesaid Proposal, and the Result of the Conference was; That the Bank of England shall undertake to circulate Three Millions of South-Sea Bonds for One Year at a Premium, to be agreed upon betwixt the Two Companies.

A Subscription to be taken by the Bank, to carry on the Circulation at [Blank] per Cent to be paid down by every Subscriber, and [Blank] per Cent. upon every Call at a Fortnights Notice. The Contract with the Subscribers to be made in the Nature and Form with former Contracts, for circulating Exchequer-Bills, and the Charge of the Circulation to be born by the South-Sea Company.

That in Consideration of this Undertaking, the South-Sea Company shall pay 3,700,000 l. to be paid to the Bank by Notice of Parliament, in South-Sea Stock, at a Price to be agreed upon betwixt the two Bodies.

That the Cash of the South-Sea Company be kept with the Bank.

Wednesday 21. September 1720.

At a Meeting of the Committees of the South-Sea Company and Bank, In Pursuance of the above mentioned Paper of the 19th Instant; it was agreed, That the Bank should circulate a certain Sum in this Companies Bonds, or Bank Sealed Bills, for the Use of this Company for One Year certain; the said Bonds or Bills to run at 2 per Cent. per Diem. And that a Subscription should be taken in at the Bank forthwith for the said Circulation.

The Subscribers to pay 15 per Cent. down, by way of Deposit, and be allowed 3 per Cent. Premium; and that the Interest of the said Deposit, and all future Calls, be at 5 per Cent. per Ann.

Friday 23d. September 1720.

At a Meeting of a Committee of the Bank of England, and a Committee of the Directors of the South-Sea Company.

The following Paper was drawn by Mr. Walpole, as the Minutes or Agreement of this Meeting between the two Companies, viz.

Friday September 23. 1720.

At a Meeting of the Committee of the Directors of the Bank of England, and a Committee of the Directors of the South-Sea Company; That the Funds of the Bank of England of 2,000,000 l. and of 1,775,000 l. making together 3,775,000 l. or thereabouts, Redeemable by Parliament, upon a Years Notice, be subscribed into the Stock of the South-Sea Company, for which the Bank shall be intitled to such Shares in the Capital Stock of the South-Sea Company, as the said Funds will produce. The Stock being valued at 400 l. per Cent. the Bank to be intitled to the Dividend of Midsummer last of 10 l. per Cent. in Stock; and all Profits arising from that Time, the South-Sea Company to receive the Annuity due from the said Funds of 3,775,000 l. from and after Michaelmas-Day next.

Saturday 24. September 1720.

At a Court of Directors of the South-Sea Company.

The Sub Governor laid before the Court the above said Minutes, or Agreements of Yesterdays Meeting, between the two Companies, and the same being read,

Resolved, Nemine Contradicente,

That this Court doth approve of, and confirm the said Minute or Agreement.

Resolved,

That the Deputy Governor and Mr. Chester, be desired to go to the Court of Directors of the Bank of England, and acquaint them, that this Court hath approved of, and confirmed the said Minutes or Agreements, Nemine Contradicente.

Mr. Morrice came with a Message from the Court of Directors of the Bank of England; That this Day the said Court had agreed to the Minutes or Agreement, made by their Committee last Night, ~~by~~ ^{with} the Committee of this Court.

The Deputy Governor and Mr. Chester being returned, reported; That they had been with the Court of Directors of the Bank of England, and had acquainted them with the Message sent by this Court,

The

The same Day, viz. Saturday 24. September. The following Minute of the Court of Directors of the Bank of England, was delivered by Humphry Morrice, Esq; to Sir John Blunt, to be delivered to the Sub Governor, and accordingly delivered him; viz.

At a Court of Directors of the Bank.

On Saturday 24. September 1720.

The Governor acquainted the Court, That at a Meeting of a Committee of Directors of the Bank, and a Committee of the Directors of the South-Sea Company, a Proposal was made, which he had obtained in Writing.

The Proposal was read,

And the Question being put; That this Court doth approve, and agree to the said Proposal.

It was carried in the Affirmative, Nemine Contradicente.

Wednesday 28. September 1720.

At a Meeting of the Committee of the Bank and South-Sea Companies.

The Committee of the South-Sea Company, acquainted that of the Bank; That the Companies Cashier was ready to transfer the Stock for the Banks 3,775,000 l. when, and to such Committee, or other Persons as they should appoint to accept the same; to which they answered, They would move their Court for Directions to Mr. Townsend, their Council, to prepare the necessary Writings to be executed between the two Companies.

Monday 3. October 1720.

The Committee attended the Gentlemen of the Bank, to desire them to advance some Money on Account of the Circulation, they wanting Money to pay into the Exchequer, for circulating Exchequer-Bills.

Tuesday 4. October 1720.

The Committee attended the Gentlemen of the Bank on the same Business, and also desired they would expedite the Writings for the Contract between the two Companies.

Wednesday 5. October 1720.

This Committee were this Day with the Chancellor, to discourse on the Interest of the Exchequer-Bills, and had the Opinion of the Clerks of the Exchequer upon it.

In the Evening, the Committee attended the Gentlemen of the Bank, in the Presence of Lord Townshend, Mr. Secretary Craggs, and the Chancellor; wherein it was agreed, That the Interest of Exchequer-Bills should be advanced to 2d. per Diem. or 3d. provided the same could be lawfully done.

And the Deputy Governor spoke to the Governor of the Bank, to expedite the Writings between the two Companies, who answered, they had given Orders about it; and the Bank agreed to make good the 50,000 l. Bank Bills, deposited by the Circulators of Exchequer Bills in Specie.

Friday

Friday 7. October 1720.

The Committee again attended the Bank, and acquainted them, that the Lords of the Treasury had agreed to fix the Interest of the Exchequer-Bills at 2d. per Diem : and also acquainted them, that they had been with Mr. Townsend, to know in what Forwardness the Instrument was, that was to be made between the two Companies ; who answered, He had no Orders to draw any such Writing, but the Secretary of the Bank had mention'd something of it to him, and the Gentlemen of the Bank said necessary Care would be taken of it.

Monday 10. October 1720.

The Committee ordered the Companies Solicitor to attend Mr. Annesly, the Companies Council, to Commissioner Townsend, to see in what Forwardness the Instrument between the two Companies was ; and the Solicitor being returned, acquainted the Committee: That himself and Mr. Annesly had attended Mr. Townsend, who told them, he had no Orders to draw the said Instrument.

Tuesday 11. October 1720.

A Sitting

The Deputy Governor and Mr. Gibbon attended the Gentlemen of the Bank, and their Court being, Sir Gilbert Heathcote, came to them and said, he would attend them as soon as their Court was up. The said Gentleman having acquainted him, that they came to desire the Bank to advance them a Sum of Money, on account of the Circulation; and also to expedite the Writing between the two Companies; and after some Attendance, the Governor came to them, and acquainted them, the Court being sitting, and it being late, near Two a Clock: the Committee desired the Gentlemen of the South-Sea Company to appoint another Time, either that Night, or next Day, and accordingly that Evening was mentioned by the Governor; and on his Return, desired it might be next Day at Twelve a Clock, which was accordingly appointed.

Wednesday 12. October 1720.

The Committee of the South-Sea Company attended that of the Bank, according to their Appointment, and upon inquiring in what Forwardness, or what Directions were given for drawing the Agreement between the two Companies, we found that as yet no Orders were given for doing it; they alledging it was delayed through the Multiplicity of their Affairs; and they being press'd in plain Terms to expedite it: The Governor answered, He would take the rest of the Gentlemens Directions about it; and being asked if there were any Objections to it, Sir John Ward, and Sir Gilbert Heathcote said there were none. They were then asked to supply the South-Sea Company with 100,000 l. on account of the Subscription; to which they said they would consider of it, and send us Word when they had come to a Resolution on that Matter: The Arguments they used in shewing this Backwardness, were the Care of the Banks ~~low~~ Credit, and that of the Exchequer; and their having a large Sum of Exchequer Bills by them, and should have more by the end of the Month.

Thursday 13. October 1720.

The Deputy Governor, Mr. Gore and Mr. Chester, attended the Gentlemen of the Bank, and acquainted them, that to Morrow being the Day for the Proprietors of the first Subscription to make their Fourth Payment on the said Subscription; but considering the great want of Money at this Time, and that several Gentlemen did desire the Time for Payment might be prolonged: The Court

Court of Directors of the South-Sea Company were of Opinion, to lengthen the Time to the 14th of November next; the Proprietors paying 5 per Cent. Interest, and the Deputy Governor acquainted the Gentlemen that they now being come, a considerable part of our Body were desirous to have their Opinion. To which they answered, They thought we did right.

Friday 21. October 1720.

At a Meeting of the Committee, appointed to treat with the Committee of the Bank of England.

Present,

The Sub-Governor
Mr. Chester,
Mr. Gore.

The Deputy Governor
Mr. Gibbon.

Mr. De Gols having by Order of the Governor of the Bank, transmitted to Mr. Joye, an Account signed by him the said Mr. De Gols, that the Subscriptions taken between the 23d of September, and 15th of October, amounted to 2,291,200 l. on which the deposit Money being after the rate of 15 per Cent. amounted to 343,680 l.

And the said Account being read,

Resolved,

That the Committee of the Bank, who transacted with this Committee all Matters relating to the Agreements between the two Companies be acquainted; That the Committee are ready, pursuant to the Powers given them by the Court of Directors, to settle all Things in Form, conformable to the Minutes made and taken between the Committee of each Company, the 21st of September last.

That they likewise be desired to inform this Committee, what Progress is made in preparing the Writings that are to be executed between the two Companies, in relation to the Banks Funds of 3,775,000 l. being to be subscribed into the Stock of this Company, and their taking this Companies Stock for the same; pursuant to the Agreement made between the two Companies the 23d of September last, which were approved and confirmed the next Day by the Court of Directors of each respective Company.

Tuesday 25. October 1720.

At a Committee appointed to treat and agree with the Bank; present,

The Deputy Governor
Mr. Chester,

Sir Theodore Janssen,
Mr. Gibbon.

The Committee attended the Committee of the Bank, viz. The Deputy Governor, Sir Gilbert Heathcote, Sir Peter Delmé, Sir John Ward, and Mr. Gould, and acquainted them with the Receipt of the Letter, and Account from Mr. De Gols, mentioned in the last Minutes, relating to the Circulation; and desired that they would settle the Time for Payment of the 2,300,000 l. for which a Subscription was taken at the Charge of the South-Sea Company.

To which the Purport of their Answer was, That they desired to know in Writing what Sums the Company should want, and the Times when.

The Deputy Governor also told them, that at their last Meeting they said, it was necessary to consult Council upon some Points relating to the Agreement between the two Companies; and desired to know what Progress had been made therein. To which the Governor of the Bank reply'd, That as soon as they were prepared to give the Committee any Answer, they would send them word.

Adjourned,

28. October 1720.

At a Committee to treat with the Bank,

Present,

Mr. Joye, Deputy Governor of the South-Sea Company.

Mr. Hanger, Governor of the Bank.

Sir Theodore Janssen,
Mr. Gibbon,
Mr. Chester.
Mr. Gore.

Sir John Ward,
Mr. Gould.
Sir Gilbert Heathcote.

The following Paper was delivered to the Governor of the Bank.

Estimate of what Money the South-Sea Company will have occasion for, and at what Times, on account of the Subscriptions taken at the Bank.

In November	_____	_____	_____	250,000 <i>l</i> .
In December	_____	_____	_____	400,000 <i>l</i> .
In Jan. and Feb.	_____	_____	_____	1,000,000 <i>l</i> .
In March	_____	_____	_____	541,200 <i>l</i> .
	_____	_____	_____	2,191,200 <i>l</i> .
Received already from the Bank	_____	_____	_____	100,000 <i>l</i> .
	_____	_____	_____	_____
Total of the Subscription	_____	_____	_____	2,291,200 <i>l</i> .
	_____	_____	_____	_____

The Governor of the Bank acquainted the Committee, That he presumed they did not desire an immediate Answer, and that as several Holidays did intervene between this Time and the next Week; therefore he could not appoint a Day for an Answer, but he would acquaint us when the Committee of the Bank were prepared.

3. November 1720.

Mr. Joye, Deputy Governor of the South-Sea Company sent a Letter to Mr. Hanger, Governor of the Bank, acquainting him that the Committee of the South-Sea Company wanted to speak with him on the Companies Affairs

Affairs, and would wait on him at the Bank this Evening: Mr. Joye's Servant brought him an Answer, that they could not meet them this Evening, but would send him word when they could.

Thursday 10. November 1720.

The Governor and Deputy Governor of the Bank, Sir Gilbert Heathcote, Sir John Ward, and Mr. Gould, came to the South-Sea House according to their Appointment between One and Two, to talk on the Subscription Affair, and the Demand we made in Writing the of the whole Sum of the Subscription, for circulating South-Sea Bonds, or Bank sealed Bills, and were met by the said Sub and Deputy Governors; Mr. Gibbon, and Mr. Chester, Sir Theodore Janssen, and Mr. Gore.

The Bank Gentlemen first ask'd, if we had considered of sufficient Security to give for the Money to be advanced. They were answered, That as it was before told them they might have power to sell the Companies Bonds, and we would consent to continue the Subscription for Circulation after the present one was expired, but that we could not make over our Fund, or any part of it, with which they seemed satisfy'd. They said Credit was low, and they could at present only pay the whole Deposit Money, which they had that Morning agreed in their Court to do; but not advance any more Money, unless it would be of Service to lend their Notes at time on Security, to be repaid at the times of those Notes should expire, but that when Credit mended, they might do something.

It was told the Committee of the Bank, that Mr. Joye had communicated the Copy of the Paper in relation to their Agreement for Stock, which we had taken from their Governor, and they were surpris'd at its Contents, after so long a Delay: and that they would be ready to meet them at the Bank the Morrow Evening, or perhaps sooner. They answered, That they could not meet us sooner than the middle of the next Week.

*In Pursuance of that part of this Agreement, which related to the Circulation, a Subscription was taken at the Bank, for 2,291,200*l.* which was chiefly fill'd by the Proprietors of the South-Sea Company; in Expectation the same wou'd be apply'd to the use and benefit of that Company.*

*HOW far the Bank comply'd, either with that part of the Agreement, which related to the Circulation for the benefit of the South-Sea Company, or to the other part of their Bargain, for taking South-Sea Stock at 400*l.* per Cent. for their 3,775,000*l.* redeemable Fund, is too well known, and felt, by the present Proprietors, and Multitudes of Sufferers, to need any Animadversions thereon.*

*YET it may not be amiss to take notice, that in the Agreement made the 20th of September, for the Bank to circulate Three Millions: It is express'd, that in Consideration of that Undertaking; the South-Sea Company should pay 3,700,000*l.* to be paid to the Bank, by Notice of Parliament in South-Sea Stock, at a Price to be agreed upon, betwixt the two Bodies. Whereby it plainly appears, that it was the Directors of the Bank's own seeking, to have South-Sea Stock for the said 3,700,000*l.* and that they were not drawn into it by the Directors of the South-Sea Company, as some have invidiously insinuated.*

*AND it may not be improper here, to repeat the Expression of a very ingenious Gentleman, in a late General Court of the South-Sea Company: That the Non-performance of this Bargain of the Bank, brought AN IR-
'RE-*

‘ RESITABLE RUIN upon more Families, than all the Transactions of the *South-Sea* Directors’.

FOR it is certain, That the Fall which happen’d on the *South-Sea* Stock, before this MEMORABLE BARGAIN, was chiefly to the Detriment of those who had been Gainers thereby.

BUT after this BARGAIN, made in so solemn a manner, in the Presence of the principal Persons in the Administration, and by the Direction of the General Courts of both Companies; and reported to the General Court of the *South-Sea* Company; in the presence of several of the Directors of the *Bank*: the most cautious Men were drawn in, to embark their whole Fortunes in *South-Sea* Stock, at near 400 l. per Cent.

ON this Occasion some farther Passages in Mr. Aislaby’s said Speech, may be properly inserted. Who in Page 15. (after having mention’d that Memorable Bargain of the *Bank* with the *South-Sea* Company) thus expresses himself. ‘ And here, My Lords, while I am speaking on this Subject, give me leave, to lament the Fate of the unhappy Proprietors of the *Redeemable Debts*, that were drawn in to subscribe their respective Estates, not so much from the *Arts* of the *South-Sea* Directors, as from the fatal Influence and Example of some of the chief Managers, and Friends of the *Bank*; who, though they now make the greatest Clamour for *Justice*, were the first that subscrib’d the *Redeemables* into the *South-Sea* Company; and this My Lords, they did not do, by Surprise or Mistake, but upon great Deliberation; having some time before prepar’d for this Subscription, and purchas’d great part of this Debt at advanced Prices for this Purpose. And there are some of these Gentlemen, and even some of my Accusers, that purchas’d the *Redeemables*, who thought me extremely silly, for advising them against endeavouring to make their Fortunes, by this Project. And it is likewise very remarkable, My Lords, that a Letter was produc’d to the *House of Commons*, under the Hands of the chief Directors of the *Bank*, whereby they made the most early Application, and in the most abject Terms, to be admitted to this Subscription. It was no Wonder then, that the wisest and most cautious of their Admirers, went along with them; and much less, that the Crowd shou’d be led into this fatal Error by their Example.

‘ I do not say this, My Lords, to lay Blame or any Imputation on the *Bank*, but to shew Your Lordships, that this grave and cautious Body of Men, were touch’d with the same Infatuation as others, and that some of their greatest Friends and the loudest Complainers, were in spite of all Advice, the greatest Pushers in this Project.

He likewise says in Page 17. of the same Speech, ‘ At my coming to Town, I found the Lords and others in the Administration met, and using their Endeavours to succour and support the Stock; the *Bank* by their Mediation was call’d in to the Assistance of the *South-Sea* Company; and an Agreement was made between the two Companies, to which I was rather a Witness than a Party.

‘ This gave some Life to their Stock, and stop’d the Mouths of the *Redeemables*, who were grown very Clamorous. I must own the just Concern I had at that Time, and shall always retain for this great Body of the Publick Creditors; and I was pleas’d to see them so well satisfied, with the Bargain the *Bank* had made for them, and for themselves; upon whom they pinn’d their Faith so absolutely. And for my part, I who was not in the Secret, cou’d not but think it a real and sincere Bargain, since

‘ since it was made in so solemn a manner, between a Committee of both
 ‘ Companies, in the Presence of many Lords and Gentlemen in the Ad-
 ‘ ministration, confirmed and ratified by the Court of Directors of each
 ‘ Company, and at last, signified in Form to the Commissioners of the
 ‘ Treasury, by Sir J. Cope, one of the Directors of the Bank.

‘ I cou’d not suspect there was any Intrigue or Deceit in this Transaction,
 ‘ till I saw from the extraordinary Motion in the *Alley*, and several
 ‘ private Hints that were given out, what was intended. I could not think
 ‘ it possible, that the Gentlemen of the Bank, who had such great Interest
 ‘ in the Redeemables themselves, shou’d drop so many thousands of the un-
 ‘ happy Proprietors, who had depended so entirely upon them, and who
 ‘ would certainly have found their Way out of this cursed Labyrinth, if
 ‘ they had not been lull’d asleep by this fallacious Agreement’.

‘ As for me, My Lords, I was throughly satisfied, that this Agreement
 ‘ of the Bank was a legal and a firm Bargain; and I can’t yet imagine
 ‘ with what Face of Justice or Equity, they cou’d ever break through it;
 ‘ without providing for the safety of their Wards (if I may use that Ex-
 ‘ pression) the Proprietors of the Redeemable Debts.

And farther in Page 19. he delivers himself thus, ‘ I do not intend,
 ‘ My Lords, by what I have said to lay any Imputation upon the Bank of
 ‘ England, for as in all great Bodies, there are few that are let into the
 ‘ Secret; I suppose it might so happen here, but if what I have heard
 ‘ since be true, and what they say has been publickly avowed, that this
 ‘ Bargain was never intended to be kept; then I say it was not only a use-
 ‘ ful Secret to those that were in it, but the most compleat Stratagem of the
 ‘ whole Year.

THIS Contract the Bank never perform’d, therefore the General Court of
 the South-Sea Company, held in Sept. 1721. Order’d their Directors to prose-
 cute the Bank, effectually to oblige them to comply therewith; but they
 never made any Proceedings thereon, only read to their General Court, the
 Opinions of three eminent Council, two of which gave it under their
 Hands, that the Bank could be compell’d to perform that Agreement, but
 the third was doubtful.

BUT now to proceed to consider another Cause of the Misfortunes, that
 have happen’d, which was, THE DISTEMPER OF THE TIMES, which
 captivated the Reason of Mankind in General, not only in England, but in
 all the neighbouring Countries; who leaving the usual Methods of Labour
 and Industry to gain Estates, were all tainted with the fond Opinion of
 being rich at once; which caus’d many Persons to engage much beyond
 their own Fortunes, not only in South-Sea Stock, but in every pernicious
 Bubble, that could be devis’d. And here needs only an Appeal to every Man’s
 own Conscience, and to desire him to reflect on the Operations of his own
 Mind at that Time, and what he did and saw, and knew to be done by others.

HOW did Persons of all Ranks and Stations, lay aside all manner of
 distance, and almost Decency, to become the humble Suitors for Subscrip-
 tions; not only to the Directors of the South-Sea Company, but also to the
 meanest and vilest of People, who had but the Assurance to set up any kind
 of Bubble, even without so much as knowing what the thing was, into
 which they so earnestly press’d to be admitted Subscribers.

THIS Temper gave Rise to those numberless Swarms of Bubbles, which
 then pester’d the Town, and which were set up with no other View of De-
 sign,

sign, than to get Subscriptions, but never to put the Affair into Execution; and were the Names and Numbers of those Bubbles and Sums paid in, together with the advanced Prices they actually sold at, collected and published, it wou'd apparently shew, that the Mischief and Ruin which proceeded *from them*, was more than the Losses sustained by *South-Sea Stock*, before that Memorable Bargain with the *Bank*; and yet it will easily be admitted, that these numerous Bubbles, selling at such extravagant Prices, did not a little contribute to advancing of *South-Sea Stock*, to the high Price it arriv'd at.

THESE Bubbles were the more pernicious, in that they were generally traded in by the *lower part* of the *People*, whose Circumstances would not permit them to buy *South Sea Stock* or Subscriptions; but being infected with the then Epidemical Disease of becoming *rich on a sudden*, deserted their *Shops* and *Trades*, and their usual Methods of Industry, and were strip'd of what by their former Diligence and Frugality they had acquired.

THAT which has caus'd Surprize to some considering Persons, is, that tho' the *South-Sea Scheme* was originally form'd, (as plainly appears by the foregoing Pages) with a Design of great *Advantage* to the *Publick*; as well as to the *Original Proprietors*: And notwithstanding the same receiv'd so many Alterations between its first Formation, and passing into an Act, and that the Execution of that Act has been attended with so many Misfortunes; nevertheless there still flow therefrom *many* and *great Benefits*, as well to the *Publick*, as to the *Original Proprietors*; And yet the Directors of the *South-Sea Company* are punished in a manner beyond any President known in *England*, whilst the *Projectors* and *Managers* of the innumerable Bubbles set up, even without any *legal Foundation*, and with no other Intention than that of Fraud and Cheat, have not been so much as called in Question.

AND what appears to be still more astonishing, is; That such of the Directors of the *South-Sea Company*, as were chief Managers in some of the Bubbles, have much greater Allowances for their Subsistence, in Proportion to their Estates, than the rest of the Directors of the *South-Sea Company*, who were not concerned in any of the Bubbles.

WHETHER this different Treatment, has risen from any personal Prejudice to any of the late Directors of the *South-Sea Company*; or that there were Persons concerned in the Profits gained by those Bubbles, too great to be enquired into, or from what other Cause we shall not take upon us to determine.

THIS Section shall be concluded with taking notice of something farther out of Mr. *Aislaby's* Speech, Page 13. and 14. where after having endeavoured to take the Blame of the Misfortunes, which attended the Execution of the *South-Sea Act*, from the Treasury, he thus expresses himself.

' AND tho' perhaps, My Lords, it was in the power of the Treasury, if they wou'd have taken upon them what did not belong to them, to have run down the Stock; yet considering the Parliament was then sitting, the greatest part whereof were deeply engag'd in it; it had been a bold Undertaking, for the Treasury to have attempted to have brought down the Stock, and must have drawn upon themselves the Rage of all the Sufferers, and sure Destruction.

' This unhappy Affair, My Lords, began at a Time, when the Passions and avaritious Desires of Mankind, were grown up to a Madness and a Distemper, and one cannot without Pity, look back upon the Rage and Folly of the Year'. The

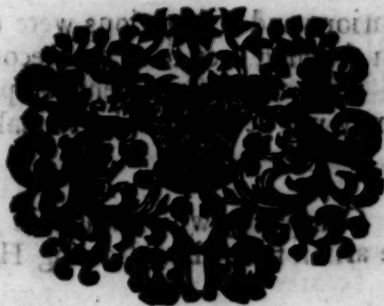
‘ The unaccountable Success of this Undertaking, gave Birth to many
 ‘ base and ruinous Projects, and it must ever be a publick Reproach, that
 ‘ Encouragement was given to those two Bubbles, that were established to
 ‘ raise a Supply for the support of the Civil List; ’tis very well known,
 ‘ that those two Projects did not proceed from me’.

‘ Whatever Opinion the World may have of the *South-Sea* Scheme, I
 ‘ will presume to say, These two Projects were founded in greater Iniquity,
 ‘ and contributed more to the Publick Calamity, than any thing else’.

‘ After this, My Lords, I may venture to say, the *South-Sea* Scheme was
 ‘ become ungovernable, and some of the wisest of the Directors were so
 ‘ sensible of it, that to do them Justice, I must declare they came to the
 ‘ Treasury, and offer’d to advance the Money for the Civil List upon sure
 ‘ and easy Terms, rather than that those Bubbles shou’d take place.

‘ But though the Treasury were provided with Ways and Means for the
 ‘ Supply to the Civil List, without the help of either; yet those Projects
 ‘ and others had taken such deep root in the *House of Commons*, and else-
 ‘ where, as made it impossible to oppose them; and they had that Conse-
 ‘ quence which the Directors of the *South-Sea* Company foretold, and
 ‘ which every body might foresee, viz. to encrease the Flame, by adding
 ‘ this unnecessary Fuel to it. And, as the *South-Sea* Scheme might give
 ‘ Birth to the Bubbles, so the Bubbles contributed to raise the *South-Sea* to
 ‘ that height, which brought us into this Condition’.

AND if (as Mr. *Aislabie* well observes above;) ‘ It had been a bold Un-
 ‘ dertaking for the Treasury, who are cloath’d with so great an Authority,
 ‘ to have attempted to have brought down the Stock, and must have drawn
 ‘ upon themselves the Rage of all the Sufferers, and sure Destruction;’
 ‘ What must have been the Fate of the unhappy Directors of the *South-Sea*
 ‘ Company, shou’d they have attempted the doing it?





SECTION VI.

Some Considerations on the Charge laid against the late Directors, in the Bill for taking away their Estates, as it was first brought into the House of Commons; and upon some of the Resolutions of that House, and several Passages in the Reports of the Secret Committee.

IN the Preamble of the Bill, when the same was first brought into the House of Commons, there was a recital of the several Resolutions of that House, founded on the Reports of the Secret Committee, relating to the Conduct of the late Directors; with an Enumeration of the Particulars, from whence the Loss to the Company arose, for which their Estates were taken away; but after further Consideration, the House were pleas'd to leave out that long recital and detail of Particulars, and to content themselves with the general Words: That the Company had suffer'd an immense Loss, amounting to Seven Millions and upwards. Some of them being apprehensive (as may well be suppos'd) that had all those Resolutions and Particulars stood in the Bill, as the Reasons and Foundation of so severe a Law, the Truth or Falshood of them might at some time or other have been examined into; and the Persons who were charged therewith, have had an Opportunity of being heard, how far they could acquit themselves of the Crimes therein laid to their Charge: and if the Foundations of the Bill had at any time appear'd to be some of them mere Fictions, of Things which were never done, and others of them to be no real Loss or Damage to the Company; it had not been impossible, but a Time might come, when those unhappy Directors might find some Relief, against the great and uncommon Hardships of that *Act*.

BUT since those Resolutions and Allegations were once brought in with the Bill; thereby is seen (though not so upon Record as if they had remain'd in the *Act*) what were the Inducements of passing that Bill into a Law; and therefore it may not be unsuitable to make a few Remarks on some of them.

AS to the Loss of the Company, which was said to be Seven Millions and upwards, and to have arisen from the following Heads, *viz.*

First, The Loss by Loans.

To this an Answer has been already given, whereby it appears the Directors were empowered, and justify'd in making those Loans, by the Orders and Resolutions of the General Court.

Second-

SECTION

Secondly, By the 574,500*l.* Stock (which the *Secret Committee* call fictitious) and said by them to be entred in the Books of the Company, as sold for 1,213,575*l.* which Sum they alledg'd was not duly answer'd to the Company; and therefore ought to be made good out of the Directors Estates.

To this shall be added (as being of a like nature) a Clause out of the fourth Report of the Secret Committee, wherein they say, ' That the Books therein mentioned to be laid before them by the present Sub-Governor, Deputy Governor and Directors, contain the Names of several Persons mention'd in the Book of Loans, to have borrow'd Money upon Stock, to the amount of 2,181,944*l.* 11*s.* upon the Security of 578,888*l.* Stock, which doth not appear to have been transferred to the Use of the Company.

NOW, who upon reading these Articles, wou'd not think, that the Company have been either cheated of these two Sums of 574,500*l.* and 578,888*l.* Stock, amounting together to 1,553,388*l.* Stock? Or else of these two Sums of 1,213,575*l.* and 2,181,944*l.* 11*s.* in Money, amounting together to 3,395,519*l.* 11*s.* Money?

TO which, what follows is an undeniable Answer. If the Company, had been cheated of so much, or any Stock at all, there must have been so much Stock wanting in the Companies Account of Stock; but their Account of Stock having been examin'd by the present Court of Directors, they find that the Stock transferred by Mr. Knight to Trustees for the Use of the Company, by Order of the late Court of Directors, together with the Stock remaining in Mr. Knight's own Name, amounts to above 12,000*l.* Stock more than the Company had any Demand upon him for, either on Account of Loan or otherwise; and Mr. Knight being the only Person who was accountable to the Company for the Stock mention'd in the above Articles:

It is a perfect Demonstration, that the Company can't possibly have been cheated of one Shilling Stock.

IN like manner, had the Company been defrauded of those Sums of Money, there must have been so much Money wanting in their Cash; or else couch'd under other Heads, (which is impossible to be done for a large Sum, nor is any such thing so much as pretended;) and the *Secret Committee* in their first Report. Page 1. and Appendix thereto, No. 1. Page 17. do shew that Mr. Knight had charged himself with the Receipt of the 1,213,575*l.* for the 574,500*l.* called fictitious Stock; so that Mr. Knight having given the Company Credit for that Sum in his Account of Cash, it is impossible the Company can have lost the same, or any part thereof, unless there was such a Deficiency in Mr. Knight's Account of Cash: But Mr. Knight in his Letter to the late Court of Directors, dated *January* 22. 1720. being the Day after his withdrawing himself, writes as follows,

' I have herewith sent Mr. S. — the Key of my Desk, who knows so much of the State of the Cash, as to be able to make it up, there are a good many Bills of *Exchange*, and other Payments to write off, and the Weekly Receipts to write on. There is Cash in the Bank in the Companies Book, which together with the Notes taken on the Third and Fourth Subscriptions, and the Companies Bonds, will make up the Balance, as I do believe. The truth of this cannot be contradicted.

SO that there being no Deficiency in the Companies Cash, is also a Demonstration, that it is not possible the Company cou'd be defrauded, or could have sustain'd any Loss either of Stock or Money, on these Heads.

TO what end then could those Articles be formed? It may be thought hard to suggest, that it was with an Intention to encrease or keep up the Clamour against the late Directors, at a Time when every thing to their Prejudice did so easily find Credit; and yet it is difficult to assign any other Reason.

AS to the third Head of the Loss, which was charged to be the Deficiency of the Third and Fourth Subscriptions; the same arose from the default of Persons, (whose Names were first set down) not making their Payments on those Subscriptions, especially the Third; and that Subscription selling at a great advance, Mr. Knight might have Reason to think, that no Person would have made default, and therefore charg'd himself with the whole Sum, as if receiv'd; and it does no way appear, that any of the Directors had any advantage by those Deficiencies, or that any of them, not even the Committee of Treasury, did so much as know of those Deficiencies till about November following; when Mr. Knight claiming an Allowance for them in his Cash Account, they refus'd to pass the same: so that if these Deficiencies are to be charged to any Body, they ought to be to Mr. Knight only, and not to the Directors.

HAVING thus cleared the Directors from the Charge of the Loss, said to be sustained by the Company, and for which their Estates were taken away:

ANOTHER part of the first Report of the Secret Committee comes next to be consider'd, wherein Page 15. and 16. they say, That it was in the power of the Persons to whom the pawn'd Stock was transferred, and with whom the pawn'd Subscription-Receipts were deposited, to sell the same at high Prices, and to replace them again, when the Price fell, whereupon the House of Commons came to the following Resolution, viz. *That the selling or disposing of Stock or Subscriptions, transferred or deposited, as a Security, for the Payment of the Money lent, was a notorious Breach of the Trust repos'd in the said Sub-Governor, Deputy Governor, Directors and their Officers, and a Fraud on the Proprietors, in order to enrich themselves, for which they ought to make Satisfaction out of their own Estates.*

WHICH Resolution was also recited in the Bill as first brought into the House, as one of the Causes for taking away the Estates of the late Directors, and thereby is intimated that great Profit was made by selling pawn'd Stock and Subscriptions.

All possible Endeavours have been us'd to get a true Information concerning this Fact, and we cannot learn that any of the Directors ever knew, or heard of any such thing being done, nor does it appear, that any of them ever had occasion so to do, they all having great Quantities of Stock and Subscriptions of their own undispos'd of, as is evident by their Inventories.

IT may be farther convenient to give some Answer to the following Passage in the first Report of the Secret Committee, Page 2. where they were pleas'd to say, ' That the Account of the 574,500*l.* Stock (which is com-

'commonly called the fictitious Stock) was made up and adjusted with Mr. *Knight*, and the Money arising by the Difference of the Price between the Times of such taking in, or holding of the Stock, and the making such Adjustments, was payed or allow'd out of the Companies Cash, to the pretended Purchasers; but no Entries of such Adjustments, or of the Names of the Persons, with whom the same were made, appear to your Committee in any of the Books of the Company'.

IT is to be suppos'd, That this part of the Report was the Foundation of the Motion made sometime ago, in the General Court of the *South-Sea Company*; wherein it was declared, *That several Millions of the Companies Money*, had been paid for such Differences and Adjustments; and a Petition agreed on, and deliver'd to the Parliament, for a Power to recover the same. But that Matter not appearing to the House, to have a just Foundation, nor being attempted to be prov'd; it is evident the same was a *bare Suggestion*, and calculated, as many others were, to *inflame the Minds of the People*, and to blacken the late Directors.

FOR it has been sufficiently manifested, that there was little or no Deficiency in the Companies Cash, on Mr. *Knight's* going away; and the *Secret Committee* themselves say, 'That no Entries of such Adjustments appear to them, in any of the Companies Books. And the present Directors, who have the Books in their Custody, are appealed to, whether there be any such Entries, and if there be no such Entries, (as it is certain there are not) then 'tis a Demonstration, that no such Adjustments and Differences were, or could be paid out of the Companies Cash; so that Suggestion and Imputation entirely falls to the Ground.

There are several other Remarks and Observations of that Honourable Committee, which might receive a very satisfactory Answer, but for Brevity's sake are omitted.





SECTION VII.

Of the several Penalties and Disabilities, which the late Directors are subjected to, by Three several Acts of Parliament: With some Account of the Trustees Proceedings in the Execution of them.

IN the foregoing Sections, the *South-Sea Scheme* has been consider'd, from its being first form'd, with the several Alterations till pass'd into a Law; the Conduct of the Directors in the Execution of that Law: The real Causes which contributed to the many Losses and Sufferings that ensued, with the principal Matters laid to the Charge of the Directors, as well by the *Secret Committee*, as in the Preamble to the Bill for taking away their Estates, as it was first brought into the House. And now follows, a short Account of some of the Penalties and Disabilities, to which they have been subjected, by three several Acts of Parliament.

BY one of those Acts, they are all disabled from ever being Sub-Governor, Deputy Governor or Directors, either of the *South-Sea Company*, Bank, or *East India Company*, or from having or enjoying any Place, Office or Employment in, or under any of those three Companies.

BY another of those Acts, which pass'd but the 25th of January, every one of them was required, on or before the 8th Day of February following, (a very short Time, to find so great a Security) to enter into Recognizances of One Hundred Thousand Pounds Penalty, together with two sufficient Securities, in the Penalty of Twenty Five Thousand Pounds each, not to depart the Kingdom within one Year, from the 8th of December 1720. and from thence to the end of the next Sessions of Parliament; and in default of giving such Security, they were to be committed to the Fleet, there to remain without Bail or Mainprize, and if they depart out of the Kingdom, within the Time limited, they are to be guilty of Felony.

THEY were by the same Act also oblig'd before the 25th of March then following, (which was likewise a very short Time for so great a Work) to deliver to the Barons of the Exchequer, two perfect Inventories on Oath, of all their Estates, real and personal, which on the first of June 1720. or at any time after they were respectively seized or possess'd of, or entitled unto in Law or Equity, in their own Names, or in the Names of any other Person or Persons in Trust for them, or to their Use, and of all Alienations and Dispositions thereof, to the Time of the Delivery of their respective Inventories.

AND in Case of failure, of delivering such Inventories, they were to be guilty of Felony.

IF any of their Inventories appear'd to be evasive or uncertain, or if Directions be given for a farther Enquiry, by the Speaker of either House of Parliament, by Order of the House, or if Information be made on Oath of any Concealment, the Barons of the Exchequer are to examine them upon Interrogatories,

interrogatories, to which if they refus'd to be Sworn, and answer fully, or if after such Examination any Concealment is found, they are to be guilty of Felony.

THE Barons are thereby empower'd to summon before them any Persons, known, suspected, or supposed to conceal any of their Estates, and if such Persons refuse to appear, or to be examined on Interrogatories; the Barons may commit them to the Fleet, untill they submit to be examined.

All Persons who had accepted any Trust for any of them, or in whose Hands any of the Estates or Effects were, or who were indebted to any of them, are required to give Notice to the Barons, on forfeiture of Treble the value of such Estates, Debts or Effects.

They were disabled from aliening or disposing any of their Estates, real or personal, after the 5th of January 1720. Except for their necessary Subsistence, Payment of the just Debts due before the 5th of January 1720. and of perishable Goods.

They are forbid Transporting any of their Estates or Effects beyond Sea, under the Penalty of Felony.

By the Third Act.

All their Estates, real and personal, of what nature or kind soever, which they or any Person or Persons in Trust for them, or any of them, upon the first of June 1720. or at any time afterwards was, or were seized or possess'd of, interested in, or entitled to, in Law or Equity, in their or any of their own Rights, or to any of their own Use, or Uses, or in Partnership with any others, (Except the necessary wearing Apparel of themselves, their Wives and Children; and except the Allowances therein made for their Subsistence, and except such parts of their personal Estates, as have been, or shall be disposed for paying their just Debts, contracted before the said 5th of January 1720. and perishable Goods dispos'd of, as therein is mentioned,) are vested and settled in Nine of the present Court of Directors of the South-Sea Company as Trustees, to the Intent the same may be sold and dispos'd of, as therein mention'd, for the benefit of the South-Sea Company.

They were thereby required before the 20th of September 1721. to bring and deliver upon Oath to the said Trustees, at their publick Office or Place of Meeting; all such Deeds, Evidences, Muniments, Books, Accounts, Papers and Writings, which they respectively had, or shou'd have in their Custody or Power, or which they respectively could come by, which do concern only their own Estates, real and personal, or do concern the same jointly with any other Estate or Estates; together with Schedules thereof, signed by them respectively, and in default thereof, were to be committed to the Common Goal, there to remain without Bail or Mainprize, till they had comply'd therewith.

They are also required to release or convey in due Form of Law to the Trustees, all their Right, Title, Interest, Claim, or Demand of, in or to their respective Estates, real or personal, vested in the said Trustees.

And they are thereby disabled, to hold or execute any Office, or Place of Profit or Trust, Civil or Military, under His Majesty, His Heirs or Successors, or to sit or vote, in either House of Parliament.

AS the foregoing Penalties and Disabilities are of a severe and rigorous Nature; SO IT might have been very reasonably expected, That this Act

would have been executed with all the *Tenderness* and *Moderation* imaginable. But when the Conduct of the *Trustees* therein comes to be examined, it will be found, they have endeavour'd to extend the Hardships therein, not only beyond the Letter, but, as may be presum'd, beyond the Intention of the Law, which will be very apparent by the following Instances.

THE Clause in the *Act*, wherein the Directors were required to deliver all the Writings, Books and Papers to the Trustees upon *Oath*, has been before mention'd ; which *Oath* the Trustees had no Authority to form. But they took that Authority upon themselves, and endeavour'd to impose such an *Oath* as they could not but be sensible, was impossible to be taken by any of the late Directors. The Form whereof was as followeth.

I A. B. Do make *Oath*, that the Deeds, Evidences, Muniments, Books, Accounts, Papers and Writings mentioned in the Schedule hereunto annex'd, and by me sign'd, and which said Deeds, Evidences, Muniments, Books, Accounts, Papers and Writings, I do at this present Time deliver to the Trustees, nominated and appointed to put in Execution the several Trusts and Powers mention'd and contain'd, in an *Act* of Parliament, pass'd in the 7th Year of the Reign of His Majesty that now is, Intituled, *An Act for raising Money, &c.* at their Publick Office or Place of Meeting ; are all the Deeds, Evidences, Muniments, Books, Accounts, Papers and Writings, which on the first Day of June 1720. or at any time since, were or now are, in my Custody or Power, which concern or any ways relate to any part of the Estate real or personal, which I or any Person or Persons in Trust for me, was or were entitl'd unto, possess'd of, or interest'd in, either in Law or Equity, on the said first Day of June, 1720. or at any time since.

IT is obvious to every one, at first reading this *Oath*, that it was fram'd in such general Terms, as rendred it impossible to be taken by any Person in Business. For who is there in any Trade or Dealing, but in 15 Months Time, has a Necessity of altering or parting with some of his Bills, Notes or Papers ; therefore, much less possible was it, for any of the late Directors, who, as appears by their Inventories, had many considerable Transactions within that Time, not to have unavoidably alienated or parted with many of their Bills, Notes, and other Papers: So that had they taken the *Oath*, their own Inventories might have been brought in Proof to falsifie the same.

THEREFORE all the Directors refus'd taking that *Oath* ; so that at last, the Trustees were pleas'd to condescend so far, as to suffer the Directors to make some Exceptions to the General Words, suitable to their several Cases.

IT may be here observed, That though the utmost Retrospect, of the *Oath* required by the *Act*, was but to such Writings, Books and Papers, as they respectively had in their Custody or Power the 8th of December 1720. or at any time after, relating to the Estates vested ; yet the *Oath* the Trustees impos'd, not only look'd back to the first of June 1720. (which is above Six Months farther back, than the *Act* could be construd to extend) but also extended to all Writings whatsoever, concerning as well Estates vested, as not vested.

A second Instance, of the Trustees endeavouring to exceed the Powers given them, is That of obliging those Persons, who are Witnesses to the signing of any Claims, to be present at the time of the delivering the Claim, and to make an *Oath* before them, that they saw the Claim sign'd, which *Oath* is more than the Law requir'd, and what the Trustees had no Power to

to administer; and yet thereby, many honest and innocent Creditors, and Claimants upon the late Directors Estates, were put to great Charge, Trouble and Difficulty, in bringing up those Witnesses from the remoter Parts of the Kingdom.

A *third Instance* is, Their preparing many and long *Interrogatories*, in order to the Examination of one of the late Court of Directors, and causing him to be summon'd before the Barons of the *Exchequer*, for that Purpose; although his Inventory was not so much as pretended to be evasive or uncertain: Nor was there any Order from the *Speaker* of either *House of Parliament*, to cause such Examination to be made, nor any Information upon Oath, of any Concealment made by him, which are the only Cases in which the Act directs such Examination.

BUT the *Barons* were more cautious of, exceeding the Powers given them by the *Act*, than the Trustees seem to have been: And therefore, when the *Barons* were attended, they did not think proper to proceed in the Examination, not having sufficient Foundation and Authority for it.

Whereupon the Trustees apply'd to the *House of Commons*, and obtained an Order to the *Speaker*, to give Directions to the *Barons*, to examine the late Directors upon such *Interrogatories* as they should think fit.

Surely, this Method of proceeding was very extraordinary; for Persons to be examined upon *Interrogatories*, to condemn themselves, in a Case wherein a small, and even involuntary Failure, may be Felony.

One would think in this Case, there was the least Cause imaginable for such an Examination, not only from the Encouragements given by the *Acts* to Informers, of any Concealments; which was 30 per Cent. upon all that should be discovered, and from the Penalties on such Persons, as concealed any of their Estates or Effects, which is Three times the value of the Estates or Effects concealed. But also for that all their Inventories, which contain Particulars of all their Estates and Effects on, and of all their Transactions after, *June 1. 1720.* have been delivered, Printed and Published throughout the whole Kingdom, above a Year; and have been scann'd and scrutiniz'd into, with all the Nicety and Exactness, which the Ill-Will of the Losers, or the Hopes of Gain to Informers, could inspire and prompt Men to. And yet there has not been one Instance of an Information of any Concealment, great or small, against any one of them; so that morally speaking, one may almost venture to affirm, there hath not been, nor can be any Concealment: and therefore, it seems more unreasonable, to require this new, and hitherto unknown Examination to be put in Practice, merely upon Jealousies and Surmises, without any apparent Foundation: Which cannot but be a Torture on the Mind of every Person examin'd, where his Life lies at Stake, and to which our Law hath hitherto been as much a Stranger, as to Racks for the Body.

A *fourth Instance*, wherein these Trustees have endeavour'd to extend their Power, beyond the Limits of the *Law*; was, their Preparing a Bill of Powers, whereby, under the Pretext of better executing the *Act*, there is not a Person in the Kingdom, (His Majesty only excepted) whom they could not have Examined, when, and as often, and upon such *Interrogatories* as they thought fit; and for default of appearing, (for which no Excuse was to be admitted, not even Sickness it self) or in default of answering fully, (that is, to their Satisfaction,) the Trustees might cause them to be committed to, and detained in Prison during their Lives.

BUT

BUT this Bill happened to get Air, and some of the Heads thereof were published to the World, whereby it appear'd to be so flagrant an Attempt upon the Liberties of all His Majesties Subjects, that it was forced to be drop'd, without being ever brought into the *House of Commons*.

AS to what may be objected against the Trustees accepting the Execution of the *Act*, because they are suppos'd to be considerably interested in the *South-Sea Stock*; and therefore may seem to be Judges and Parties: The *Act* it self has made them safe therein. We shall only say, That they must be left to their own Consciences, which alone can accuse them. The weight of this part of the Trust appears by the considerable Claims made on the Estates of the late Directors, which amount to above a Million.



SECTION VIII.

Some farther Remarks and Observations on the forementioned Acts of Parliament; and on the Proceedings of the late Directors.

WHAT is related in the preceeding Sections, is a clear and distinct Account of known Matters of Fact; and being so lately transacted and in so publick a manner, they are purposely represented with that Simplicity and Plainness, which should always accompany real and substantial Truth.

AND tho' many things might be offer'd to the Reader's Consideration, from the preceeding Narrative; yet we shall here note but a few Remarks, leaving the rest to every ones own Sentiments and Reflections.

BY THIS TIME it evidently appears, that the *South-Sea Scheme* was originally form'd and drawn up, with a View and Intention to render it beneficial, as well to the Publick, as to the Proprietors of the *South-Sea Stock* in general; without the least Detriment to any Body, or Design of raising immense Estates to the Directors, as has been untruly and unjustly reported. And 'tis manifest, those Directors did not make so large Additions to their Estates, nor were they near so great Dealers in the Stock, as many others were (there being Instances of particular Persons, who are said to have got almost, if not quite as much as all the Directors put together; and,) who have nevertheless had the good Fortune to escape Parliamentary Prosecutions.

THAT what is charged upon the late Directors as Crimes, in the Execution of the several parts of the *Act*, they were rather driven into by the excessive Sum the Company was to pay the Publick, and by the Torrent of the Times, and the Passions and Humours which influenc'd almost all People; than by their own Choice, or any premeditated or concerted Designs.

NOR will it be deny'd, that while they were transacting those Things, for which they since have been most blam'd, they had not only the universal Applause of Mankind; but a farther Honour, as appears by a Paragraph before quoted, out of His Majesties most gracious Speech to both Houses of Parliament, the 11th of June 1720. and the Speaker's Speech to His Majesty the same Day, which was, when the Stock was at near 800 l. per Cent.

THE Sense also of the Proprietors of the Company, was sufficiently declared in their *repeated Approbation* of, and *Thanks* to the Court of Directors, for their *Conduct* in the *Execution* of the *Act*, and in particular, in the before quoted *Resolution* of the 8th of *September* 1720. in the following Words, *viz.*

Resolved, Nemine Contradicente,

‘ THAT this Court doth approve of, and thank the Sub and Deputy Governors and Directors for their prudent Conduct, in executing so great a part of the Act of Parliament, for enlarging the Capital Stock of the Company.

WHICH Resolution was after all the Subscriptions and Loans, and all other the Transactions of the Directors, for which they have been so much censur’d and calumniated, had been made and ended.

IF all these Circumstances and Considerations put together, are not sufficient to justify the Proceedings of the late Directors, there can remain no Rule of Action in Companies and Communities.

IT is far from our Intention, to say any thing here that may have the least Tendency to arraign the Justice of any Law in force: But it is presum’d upon a Review of the whole, there can be no Offence to observe,

THAT tho’ the Punishment of Treason is forfeiture of Life and Estate; yet all Persons accus’d of this Crime, are allow’d a Copy of the Indictment, and Council to plead for them, and are not subjected to any Penalty or Punishment till Conviction. NOR are they in order to such a Conviction, subjected to a strict Examination on Oath before a Secret Committee: NOR are they oblig’d to deliver Inventories of all their Estates and Transactions, and also all their Estates with their own Hands; and after that; to be subject to an Examination upon Interrogatories, for discovering their Estates under Penalty of their Lives. NOR to convey and release to the Crown all their Claim, Right and Title to their Estates, as these unhappy Directors are oblig’d to convey all their Estates, real and personal, with their own Hands to the Trustees. NOR are the Trustees of Persons even convicted of the greatest Crimes, bound to disclose their Trust under any, much less such severe Penalties as three times the value of the Estate conceal’d: So that unhappy Families do often find Means of Subsistence, out of the forfeiting Persons Estates, and sometimes their Lives are spar’d even after Conviction, and they have often larger Proportions of their Estates allow’d them for their Subsistence, than is allow’d to most of these Directors; and there are several late Instances of Persons taken in actual Rebellion, and of others attainted of High-Treason, and fled beyond the Sea, whose Wives have been allow’d their Jointures, as if their Husbands were dead, which is a greater Favour than has been allow’d to any of these Directors.

These are some of those things, which must be thought Hardships, by any one who shou’d be so unfortunate, as to be compel’d to undergo them. But as they proceed from a Law made, they must be submitted to, and cannot be impugn’d or argu’d against, but in a proper Place, and in a becoming manner. Since whatever the Legislative Power has once bound, cannot be again loosen’d, but by the Legislature, which never denies a due Redress to every Grievance, that Subjects can complain of.

Before we conclude, we shall crave leave to insert the Provision our Ancestors made to secure every Man’s Liberty and Property in this Realm, as it stands in the so often quoted part of *Magna Charta*, obtain’d at the Expence of so much Blood of our Ancestors, which says; *That no freeman shall be taken or Imprisoned, or be disseized of his Freehold or Liberties, or free Customs, or be Outlawed or Exiled, or any otherwise destroyed; nor will not pass upon him, nor condemn him, but by lawful Judgments of his Peers, or by Law of the Land.* And the many subsequent Laws made in Affirmance thereof, some of which

shall be mention'd, as 5 *Edw. 3. Chap. 9.* whereby it is Enacted, That no Man, from henceforth shall be attached by any Accusation, nor forejudged of Life or Liberty, nor his Lands, Tenements, Goods or Cattle seized, against the Form of the great Charter, and Law of the Land. Likewise 28 *Edw. 3. Cap. 3.* That no Man, of what Estate or Condition that he be, shall be put out of Land or Tenement, nor taken nor imprisoned nor disinherited, nor put to Death, without being brought in answer by due Process of Law. These are farther strengthened and enforced by the famous Petition of Right, 3 *Car. I. Cap. 1.* and the Bill of Rights 1 *Will. & Mary, Sess. 2. Cap. 2.* which says, That excessive Bail ought not to be required, nor excessive Fines imposed, nor cruel and unusual Punishments inflicted.

THE HABEAS CORPUS ACT, was likewise obtain'd with great Difficulty from the Crown, as a Guard to the Liberty of the Persons of the Subject, and has never been suspended but in Cases of open Rebellion, or imminent Appearances of it; and that too, with great Difficulty and Opposition. But in the Case before us, may not perpetual Imprisonment and Death it self, become the Punishment of *bare Omissions*: And yet the suffering Person be excluded of any Relief or Benefit by that Law?

IT IS WELL KNOWN, that the principal Difference between a Free and Arbitrary Government consists in this. That by the former, the People are governed by known Laws, in the latter meerly by the Will and Pleasure of the Prince. THE ADVANTAGE of the first is, That the Subjects know what is a Crime, and what Punishment they incur, if they are guilty of it, whereby they may avoid the one and the other.

THE MISERY of the second is, That the Prince makes Crimes and Punishments, as his Passions or Lusts prompt him, whereby his Subjects have it not in their Power to escape either Guilt or Punishment. But this is far from being our Condition, or our Fear.

Since with regard to our Civil and Religious Liberties, the Constitution of our Government never stood upon so solid a Foundation, as they do at present under His Majesty: by whose Accession to the Throne of these Realms, our happy Constitution is secured to us; which, as on the one Hand, it gives the Prince all the Power necessary to the Support of His Honour and Dignity, and to the Maintenance of his Authority; so on the other, it gives the Subject all the Freedom, which is any way consistent with the Ends of Government. Those amongst us, who are not fully sensible of their own Happiness, if they would but take the Pains to inform themselves, into what unhappy Circumstances the Nations about us have been reduc'd, would soon put an higher and more just Value upon their own Condition.

But to return to the Subject of the present Case, We must crave Leave to observe another Circumstance of the Law, we have been speaking of; and tho' much might be said both from History, and many Debates which have been published with regard to *Retrospect Laws*, or *Laws made ex post facto*. Yet we shall only, (with respect to what may hereafter come to pass) beg leave to quote part of a Speech made by King *James I.* to the House of Lords, Ann. 1621. which he desir'd might be entred into the Records of that House, viz. 'We doubt there will be many Matters before you; some complain'd out of Passion, and some out of just Cause of Grievance: weigh both, and be not carried away with the impertinent Discourses of them that name innocent Men, as well as guilty. But let your Proceedings be according to Law, and remember, that Laws have not their Eyes in their Necks, but in their Foreheads: For the moral Reason for the Punishment of Vices in all Kingdoms and Commonwealths is, because of the breach of Laws standing in force; for none can be punished for breach of Laws by Predestination before they are made.

OUR Laws have a tendency to *Alleviation* and to *Lenity*, for when Words are capable of a different or doubtful Construction, they are always to be constru'd in the mildest Sense.

Nor

Nor do they punish Persons for any Facts as Crimes, unless there were in the Person an evil Intention in the doing of it, as may be illustrated by the two following familiar Instances, viz.

IF a Man be shooting at a Bird or a Hare, and chance to kill a Man passing by, against whom he had no premeditated Malice, this is but *Chance-Medley*.

OR if two Persons happen to quarrel and fight, and therein the one kill the other, if there was no premeditated Malice, this amounts only to *Manslaughter*, and not Murder. And indeed in most Cases, it is the *Intention* and *Design*, that governs the *Action*, and makes it to be *Criminal* or not.

AS to the *Fines* impos'd upon the late Directors, tho' by the Reports of the Secret Committee, and the several Resolutions of the *House of Commons*, the Crimes alledg'd against them appear to be equally charged on them all. Yet have they not all an equal Allowance for their Subsistence, in proportion to their Estates, as appears by the following SCHEDULE of their respective Estates; as reported by the Committee to the *House of Commons*, together with their respective Allowances for their Subsistence; and the Sums taken from them respectively.

	The neat Value of Their Al-			The Fines or Sums		
	the Estate of the lowances taken from each Di-			rector.		
	Directors, by the for Sub-			rector.		
	Report of the said sistance:					
	Committee.					
	l.	s.	d.	l.	s.	d.
Sir John Fellows,	243,096	: 00	: 06	10,000	233,096	: 00 : 06
Mr. Joye,	40,105	: 02	: 00	5,000	35,105	: 02 : 00
Mr. Aftell,	27,750	: 19	: 08½	10,000	17,750	: 19 : 08½
Sir Lambert Blackwell,	83,529	: 17	: 11	15,000	68,529	: 17 : 11
Sir John Blunt,	183,349	: 10	: 08½	5,000	178,349	: 10 : 08½
Sir Robert Chaplin,	45,875	: 14	: 05	10,000	35,875	: 14 : 05
Mr. Chester	140,372	: 15	: 06	10,000	130,372	: 15 : 06
Sir William Chapman,	39,161	: 06	: 08½	10,000	29,161	: 06 : 08½
Mr. Child,	52,437	: 19	: 01	10,000	42,437	: 19 : 01
Mr. Delaporte	17,151	: 04	: 06	10,000	7,151	: 04 : 06
Mr. Edmondson	5,365	: 00	: 00	3,000	2,365	: 00 : 00
Mr. Eyles	34,329	: 16	: 07	20,000	14,329	: 16 : 07
Mr. Gore	38,936	: 15	: 05	20,000	18,936	: 15 : 05
Mr. Gibbon	106,543	: 05	: 06	10,000	96,543	: 05 : 06
Sir William Hammond	22,707	: 04	: 02	10,000	12,707	: 04 : 02
Mr. Hawes	40,031	: 00	: 02½	5,000	35,031	: 00 : 02½
Mr. Houlditch	39,527	: 10	: 04	5,000	34,527	: 10 : 04
Mr. Horsey	19,962	: 05	: 03	10,000	9,962	: 05 : 03
Sir Jacob Jacobson	11,481	: 04	: 00	11,000	481	: 04 : 00
Sir Theodore Janssen	243,244	: 03	: 11	50,000	193,244	: 03 : 04
Mr. Ingram	16,795	: 00	: 00	12,000	4,795	: 00 : 00
Sir John Lambert	72,508	: 01	: 05	5,000	67,508	: 01 : 05
Sir Harcourt Masters	11,814	: 12	: 03½	5,000	6,814	: 12 : 03½
Mr. Morley	1,869	: 10	: 03	1,800	69	: 10 : 03
Mr. Page	34,817	: 12	: 03¼	10,000	24,817	: 12 : 3¼
Mr. Raymond	64,373	: 06	: 03	30,000	34,373	: 06 : 03
Mr. Read	117,297	: 16	: 00	10,000	107,297	: 16 : 00
Mr. Reynolds	18,368	: 12	: 02½	14,000	4,368	: 12 : 2½
Mr. Sawbridge	77,254	: 01	: 08	5,000	72,254	: 01 : 08
Mr. Tillard	19,175	: 14	: 04	15,000	4,175	: 14 : 04
Mr. Turner	881	: 17	: 06	800	81	: 17 : 06
Mr. Surman	112,321	: 10	: 00	5,000	107,321	: 10 : 00
Mr. Grigsby	31,687	: 06	: 00	2,000	29,687	: 06 : 00

IT CANNOT NOW BE DOUBTED, but every impartial Reader, who judges without Prepossession or Prejudice, is fully convinced by the faithful Account herein given, of the first Formation of the late Scheme of the *South-Sea* Company, and of the Views upon which it was founded, and of the several Steps taken by the late Directors in the Execution of the Act of Parliament, (which had greatly alter'd the Original Scheme) together with the Motives which induc'd the Directors to the executing it in the manner they did, that there was no evil Design in the first preparing this Scheme, nor in the several Proceedings of the Directors: and that tho' they may have committed some Errors, which is common to human Frailty, yet surely none will say that they have been guilty of so black Crimes, as by the popular Cry they were accus'd of. And consequently have not deserved the Hardships they have been subjected to.

TO CONCLUDE, Let us reason as become *Christians* and *Englishmen*: OUR CONSTITUTION is a legal Monarchy, in which the Dignity of the Prince, and the Security of the Subject is consulted. OUR LAWS are contriv'd and made by a select number of the most honourable and wise Persons, whose Approbation and Concurrence must be had, before they are tender'd to the Royal Assent: They are then solemnly promulgated to the whole Realm, and Obedience required to them. As for the Wisdom and Prudence, the Justice and Mercy of these Laws, how well they guard the Honour, and support the Dignity of the Crown; maintain the Peace, and defend the Properties of the People: how wisely they are design'd to restrain all Disorders, and cure all Distempers in the State; to obviate all possible Mischiefs, and to prevent or punish every kind and degree of Wickedness: How much Encouragement they afford to those who are diligent and industrious, quiet and peaceable in the Land, and how admirably fitted, to promote universal Peace and Happiness, is sufficiently known and understood: So that we shall only farther observe, That our Government is mild and indulgent, that the old *Roman* Privilege insisted on by *St. Paul*, may also be challenged by every one of us, viz. That it is not lawful to punish a Subject of *Great Britain* uncondemn'd, nor to condemn him untried.



F I N I S.

